

PETITION FOR ZONING VARIANCE TO THE ZONING COMMISSIONER OF BALTIMORE COUNTY:

The undersigned, legal owner(s) of the property situate in Baltimore County and which is described in the description and plat attached hereto and made a part hereof, hereby petition for a Variance from Section 255.1 (238.2) to permit a sideyard setback of zero feet (0') rather than required thirty feet (30').

of the Zoning Regulations of Baltimore County, to the Zoning Law of Baltimore County, for the following reasons: (Indicate hardship or practical difficulty) The lot shape and size require the placement of the proposed addition adjacent to the present improvements within the setback lines. The Company presently employs approximately 319 persons and the new facility will be able to create approximately 200 new positions provided the new facility is placed where requested so as to permit the flow of work to move in harmony with existing facility.

Property is to be posted and advertised as prescribed by Zoning Regulations.

I, or we, agree to pay expenses of above Variance advertising, posting, etc., upon filing of this petition, and further agree to and are to be bound by the zoning regulations and restrictions of Baltimore County adopted pursuant to the Zoning Law For Baltimore County.

We do solemnly declare and affirm, under the penalties of perjury, that we are the legal owner(s) of the property which is the subject of this Petition.

Contract Purchaser: _____
(Type or Print Name)
Signature: _____
Address: _____
City and State: _____
Attorney for Petitioner: _____
Bernard S. Denick
(Type or Print Name)
Signature: _____
Address: 10324 S. Dolfield Road
Owings Mills, Maryland 21117
City and State: _____
Name, address and phone number of legal owner, contract purchaser or representative to be contacted: _____
Name: _____
Address: _____
Phone No.: _____
Attorney's Telephone No.: _____
Address: _____
Phone No.: _____

ORDERED By The Zoning Commissioner of Baltimore County, this 2nd day of June 1981, that the subject matter of this petition be advertised, as required by the Zoning Law of Baltimore County, in two newspapers of general circulation throughout Baltimore County, that property be posted, and that the public hearing be had before the Zoning Commissioner of Baltimore County in Room 106, County Office Building in Towson, Baltimore County, on the 30th day of July 1981, at 9:30 o'clock A.M.

[Signature]
Zoning Commissioner of Baltimore County.

(over)

Item #227 (1980-1981)
Property Owner: Universal Security Instruments, Inc.
Page 2
July 8, 1981

General: (Cont'd)

This property is tributary to the Gwynns Falls Sanitary Sewer System, subject to State Health Department regulations and allocation requirements.

Very truly yours,

[Signature]
ROBERT A. NORTON, P.E., Chief
Bureau of Public Services

RAM:EAM:EWR:ss
cc: Jack Wimbley
Catherine Warfield

T-SW Key Sheet
42 & 43 NW 32 Pos. Sheets
NW 11 H Topo
67 Tax Map

BALTIMORE COUNTY

ZONING PLANS

ADVISORY COMMITTEE



PETITION AND SITE PLAN

EVALUATION COMMENTS

BALTIMORE COUNTY
DEPARTMENT OF HEALTH
TOWSON, MARYLAND 21204

DONALD J. ROOP, M.D., M.P.H.
DEPUTY STATE & COUNTY HEALTH OFFICER

June 25, 1981

Mr. William E. Hammond, Zoning Commissioner
Office of Planning and Zoning
County Office Building
Towson, Maryland 21204

Dear Mr. Hammond:

Comments on Item 227, Zoning Advisory Committee Meeting of June 2, 1981, are as follows:

Property Owner: Universal Security Instruments, Inc.
Location: SW/Cor. South Dolfield Road & New Plant Court
Existing Zoning: ML
Proposed Zoning: Variance to permit a sideyard setback of 0' in lieu of the required 30'.

Acres: 4.450
District: 4th

Metropolitan water and sewer exist.

Prior to new installation/s of fuel burning equipment, the owner should contact the Division of Air Pollution Control, 494-3775, to obtain requirements for such installation/s before work begins.

A Permit to Construct from the Division of Air Pollution Control is required for such items as paint spray processes, underground gasoline storage tank/s (5,000 gallons or more) and any other equipment or process which exhausts into the atmosphere.

Very truly yours,

[Signature]
Ian J. Forrest
Director
BUREAU OF ENVIRONMENTAL SERVICES

BHS:mgt

BALTIMORE COUNTY ZONING PLANS ADVISORY COMMITTEE

July 21, 1981

COUNTY OFFICE BLDG.
111 W. Chesapeake Ave.
Towson, Maryland 21204

cc: Nicholas B. Commodari
Chairman

MEMBERS
Bureau of Engineering
Department of Traffic Engineering
State Parks Commission
Bureau of Fire Prevention
Health Department
Project Planning
Building Department
Board of Education
Zoning Administration
Industrial Development

Bernard S. Denick, Esquire
Suite 2900
10 Light Street
Baltimore, Maryland 21202

RE: Item No. 227
Petitioner - Universal Security Instruments, Inc.
Variance Petition

Dear Mr. Denick:

The Zoning Plans Advisory Committee has reviewed the plans submitted with the above referenced petition. The following comments are not intended to indicate the appropriateness of the zoning action requested, but to assure that all parties are made aware of plans or problems with regard to the development plans that may have a bearing on this case. The Director of Planning may file a written report with the Zoning Commissioner with recommendations as to the suitability of the requested zoning.

The subject property, located on the southwest corner of South Dolfield Road and New Plant Court, is currently improved with an office/warehouse/manufacturing building. Surrounding properties are also zoned L, as is this site, and are improved with similar uses.

Because of your client's proposal to construct an addition to the existing building within 0 feet of the property line along New Plant Court, this hearing is required. Particular attention should be afforded to the comments of the Department of Permits and Licenses, and you may contact Mr. Charles Burnham at 494-3987 if additional explanation is required.

Enclosed are all comments submitted to this office from the committee members at this time. The remaining members felt that no comment was warranted. This petition was accepted for filing on the date of the enclosed certificate and a hearing scheduled accordingly.

Very truly yours,

[Signature]
NICHOLAS B. COMMODARI
Chairman
Zoning Plans Advisory Committee

NEC:buc

Enclosures

BALTIMORE COUNTY
FIRE DEPARTMENT
TOWSON, MARYLAND 21204
625-7310

cc: Mr. William Hammond
Zoning Commissioner
Office of Planning and Zoning
Baltimore County Office Building
Towson, Maryland 21204

Attention: Nick Commodari, Chairman
Zoning Plans Advisory Committee

RE: Property Owner: Universal Security Instruments, Inc.

Location: S.W. Cor. South Dolfield Road & New Plant Court

Item No.: 227 Zoning Agenda: June 2, 1981

Gentlemen:

Pursuant to your request, the referenced property has been surveyed by this Bureau and the comments below marked with an "X" are applicable and required to be corrected or incorporated into the final plans for the property.

1. Fire hydrants for the referenced property are required and shall be located at intervals of _____ feet along an approved road in accordance with Baltimore County Standards as published by the Department of Public Works. Fire hydrants at 300 feet intervals along New Plant Court.

2. A second means of vehicle access is required for the site.

3. The vehicle dead end condition shown at _____

EXCEEDS the maximum allowed by the Fire Department.

4. The site shall be made to comply with all applicable parts of the Fire Prevention Code prior to occupancy or beginning of operation.

5. The buildings and structures existing or proposed on the site shall comply with all applicable requirements of the National Fire Protection Association Standard No. 101 "Life Safety Code", 1976 Edition prior to occupancy.

6. Site plans are approved, as drawn.

7. The Fire Prevention Bureau has no comments at this time.

REVIEWED BY: *[Signature]* 7/15/81 Approved: *[Signature]*
Planning Group Fire Prevention Bureau
Special Inspection Division

/mb

BALTIMORE COUNTY
DEPARTMENT OF PUBLIC WORKS
TOWSON, MARYLAND 21204

HARRY J. PISTEL, P.E.
DIRECTOR

July 8, 1981

Mr. William E. Hammond
Zoning Commissioner
County Office Building
Towson, Maryland 21204

Re: Item #227 (1980-1981)
Property Owner: Universal Security Instruments, Inc.
S.W. Cor. South Dolfield Rd. & New Plant Court
Acres: 4.450 District: 4th

Dear Mr. Hammond:

The following comments are furnished in regard to the plat submitted to this office for review by the Zoning Advisory Committee in connection with the subject item.

General:

Subdivision and resubdivision of property within Baltimore County is subject to Baltimore County Subdivision Regulations.

This property comprises a portion of Parcel "E" of "Section 2 Owings Mills Industrial Park", R.R.G. 29, Folio 14; "Resubdivision of Part of Parcel "E", Realignment of New Plant Court, Owings Mills Industrial Park", O.T.G. 34, Folio 69 and "First Amended, Formerly Recorded in O.T.G. 34, Folio 69, Resubdivision of Parcel "E" Realignment of New Plant Court, Owings Mills Industrial Park", O.T.G. 34, Folio 80.

Baltimore County highway and utility improvements are not directly involved and are as secured by Public Works Agreement 46203, executed in conjunction with the development of Owings Mills Industrial Park. However, the Petitioner is cautioned that no encroachment by construction of any structure, including footings, is permitted within Baltimore County rights-of-way and utility easements. During the course of construction on this property, protection must be afforded by the Contractor for utilities within such rights-of-way and utility easements; any damage sustained would be the full responsibility of the Petitioner.

Development of this property through stripping, grading and stabilization could result in a sediment pollution problem, damaging private and public holdings downstream of the property. A grading permit is, therefore, necessary for all grading, including the stripping of top soil.

The Petitioner must provide necessary drainage facilities (temporary or permanent) to prevent creating any nuisances or damages to adjacent properties, especially by the concentration of surface waters. Correction of any problem which may result, due to improper grading or improper installation of drainage facilities, would be the full responsibility of the Petitioner.

BALTIMORE COUNTY
DEPARTMENT OF PERMITS & LICENSES
TOWSON, MARYLAND 21204
494-3000

cc: Mr. William E. Hammond, Zoning Commissioner
Office of Planning and Zoning
County Office Building
Towson, Maryland 21204

June 5, 1981

Dear Mr. Hammond:

Comments on Item #227 Zoning Advisory Committee Meeting, June 2, 1981 are as follows:

Property Owner: Universal Security Instruments, Inc.
Location: SW corner South Dolfield Road and New Plant Court
Existing Zoning: ML
Proposed Zoning: Variance to permit a sideyard setback of 0' in lieu of the required 30'.

Acres: 4.450
District: 4th

The items checked below are applicable:

- X A All structures shall conform to the Baltimore County Building Code 1978, the State of Maryland Code for the Handicapped and Aged, and other applicable Codes.
- X B A building/_____ permit shall be required before beginning construction.
- C Residential: Three sets of construction drawings are required to file a permit application. Architect/Engineer seal is/are not required.
- X D Commercial: Three sets of construction drawings with a Maryland Registered Architect or Engineer shall be required to file a permit application.
- E In wood frame construction an exterior wall erected within 6' 0" of an adjacent lot line shall be of one hour fire resistive construction, no openings permitted within 3' 0" of lot line. A minimum 6" masonry firewall is required if construction is on the lot line.
- F Requested variance conflicts with the Baltimore County Building Code, Section/s _____.
- G A change of occupancy shall be applied for, along with an alteration permit application, and three required sets of drawings indicating how the structure will meet the Code requirements for the proposed change. Drawings may require a professional seal.
- H Before this office can comment on the above structure, please have the owner, thru the services of a Registered in Maryland Architect or Engineer certify to this office, that the structure for which a proposed change in use is proposed can comply with the height/area requirements of Table 305 and the required construction classification of Table 210.
- X I Comments See attached items page 2.

NOTE: These comments reflect only on the information provided by the drawings submitted to the office of Planning and Zoning and are not intended to be construed as the full extent of any permit. If desired additional information may be obtained by visiting Room #107 (Plans Review) at 111 West Chesapeake Ave., Towson.

Very truly yours,

[Signature]
Charles A. Burroughs, Chief
Plans Review

CHB:rrj

REVIEW OF OPERATIONS

MANUFACTURING

Understandably, U.S.I.'s manufacturing department has been very busy this year gearing up to meet increased demand for the Company's products. New systems, including computer based material control, have been implemented to provide for further increases in volume. Complex electronic assemblies are carefully inspected and tested at every stage of the manufacturing process.

Our products incorporate circuitry which now advances the state of the art. U.S.I.'s ability to produce products efficiently is a source of pride to the Company.



Telephone production



Quality Control testing of products

Manufacturing operations

REVIEW OF OPERATIONS

FINANCE AND ADMINISTRATION

U.S.I.'s financial and administrative departments reflect the Company's overall growth. Increased use of computers speed information flow and improve management control of complex functions. Increased internal reporting provides management with timely, detailed information on all ongoing operations.

During the past year, the Company's stock was traded so actively that NASD returned USEC to its National list of over the counter stocks.

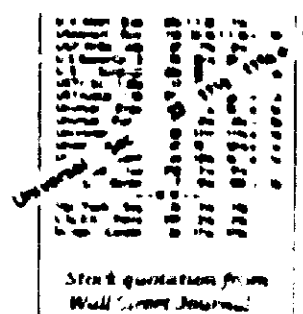
Commercial banks have taken an increased interest in U.S.I. The new revolving credit agreement reached with Maryland National Bank and North Carolina National Bank was the result of a selection process involving many large financial institutions.



Private and public meetings



Our new computer equipment



Site 8 quotation from Wall Street Journal

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

50 Gwynns Mill Ct., Owings Mills, Md. 21117

page -2-

Item #4 cont.

NOTE: Other occupants of the Park have taken the option of leasing additional space in the Park when in need of growth space.

5. Ethics. Professional standards of conduct are being set aside. This is obviously a move to acquire a building without having to purchase land. (In Munich and San Juan we call them squatters.)
6. Property Value. The decline of property values in Industrial Parks is a norm. In this instance the entire community should present a response to prevent acceleration of a declination attributable to this action. Highway and Subway plans now in process could help make the Park either a desirable location or a second rate one, dependent on how we maintain our integrity.
7. Zoning Board Action. The initial ruling was evidently made before the Commission was aware of the full set of factors. Once a judgement is converted to action, a response in the future that quote "Someone made a mistake that won't be repeated" is not pardonable.

The purpose of this appeal is to prevent the first mistake.

Best regards,

Frederick E. Fauth
Frederick E. Fauth
President

American Bottlers Equip. Co., Inc.

C.C. Bill Donohue v.p. AMBEC
Frank S. Nicoll, Jr. 100 Music Fair Rd. Owings Mills, Md. 21117
John W. Hession III Esq. Peoples Council Baltimore County
Terry Holinsky
James D. Lucas Jr.
N.E. Gerber Zoning
W. Hammond Zoning

Encl: Copy: Letter Fauth to Ferber 7-27-81
Owings Mills Industrial Park restrictions by
Frank S. Nicoll Jr.
Granting of Variance 8-25-81
Appeal letter to Zoning Commissioner 9-2-81
Notice of assignment, County Board of Appeals 10-21-81
Reference Map Parcel E Section 2 1-5-81 Revised 2-11-81

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

Encl: Copy:

Letter Fauth to Ferber 7-27-81

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Frank S. Nicoll Jr.
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AMBEC

SANITARY CONVEYOR

TELEPHONE 353-4400 AREA CODE 301

Forty-five years of Packaging Engineering

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

50 GWYNNS MILL COURT OWINGS MILLS, MARYLAND 21117

July 27, 1981

Dear Mr. Ferber:

As you know, when AMBEC was offered part of the Owings Mills Industrial Park, the balance of the plot he offered to us, we agreed to lease this land.

When the Owings Mills Industrial Park came back to us, we agreed to lease the amount of land offered to us, increasing the amount offered AMBEC. We agreed to this request in our lease transfer to help U.S.I. Corporation with their projected expansion and parking facilities.

Last September, I gave a Baltimore County Zoning Notice to the Owings Mills Industrial Park at the corner of South Delfield and Lexington Streets. During July 30, 1981, 6:30 PM, the Owings Mills Industrial Park was set back 30 feet instead of 10 feet from the Lexington Street, Prince, Towson, Maryland.

The Owings Mills Industrial Park is a large development and we are asking you to respect the restrictions in the Owings Mills Industrial Park throughout the development.

1. All buildings must be located on each plot with a set back of 30 feet from all property lines.
2. All plans for construction of building must be approved by the Owings Mills Industrial Park, Inc. to see that the above restrictions are incorporated in the construction drawings.

We are asking you to respect its future building expansion in the Owings Mills Industrial Park and request as the U.S.I.

AMBEC

SANITARY CONVEYOR

TELEPHONE 353-4400 AREA CODE 301

Forty-five years of Packaging Engineering

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

50 GWYNNS MILL COURT OWINGS MILLS, MARYLAND 21117

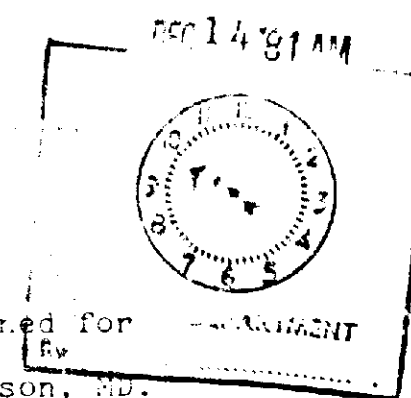
UNIVERSAL SECURITY INSTRUMENTS, INC.

90-22-A

December 8, 1981

Mr. Richard Ferber Esq.
Ferber & Warbury
1100 Charles Center South
P.O. Box 1000
Baltimore, Maryland 21201

Re: Owings Mills Zoning Appeal assigned for Tuesday December 15th, 1981 11 AM Room 219, Court House, Towson, MD.



Dear Dick:

Please review my reasons for filing this appeal, and let me have your opinion as to what further steps can be taken to prevent this take-over.

My objections are based on these premises:

1. Willful Violation. The set-back variance request violates the 30 feet agreed to in the original land purchase from Frank S. Nicoll Jr., developer, who established this rule for aesthetic as well as practical business reasons.
2. Baltimore County Zoning Regulations. Established at 25 feet. No exceptions except in extreme circumstances. (Until now all of the occupants of the Park have abided by this ruling.)
3. Precedent. If an exception is made in this instance, there will be no valid reason to deny the same prerogative to any other Park occupant with similar motive. Such a trend would surely degrade the integrity of the Park.
4. No Necessity. The Petitioner has ample usable property for expansion purposes, both behind the existing building and on the site. The site is a waste of this property. Over 100 feet in rear, 100 feet in width.

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

50 Gwynns Mill Ct. Owings Mills, Md. 21117

-2-

We need your respected legal opinion. In the event that this larger company, U.S.I. Corporation, is successful in this zoning change, can we bring action against those perpetrating this deed. We must thwart this move so as to protect the property investment by AMBEC, as well as to maintain the integrity of the industrial park.

Please call me before the hearing date.

Best Regards,

Frederick E. Fauth
Frederick E. Fauth
President
American Bottlers Equipment Company

FEF:pd

cc: Mr. Frank S. Nicoll, Jr. - HAND DELIVERED
U.S.I. Corporation - HAND DELIVERED
Mr. Donald P. Hutchinson, County Executive - HAND DELIVERED
Baltimore County Zoning Commissioner - HAND DELIVERED
Mr. James Lucas, Baltimore County Industrial Development - HAND DELIVERED
Safeco Title Insurance Company of Maryland -
Mr. Francis Connolly Esq.
St. Paul and Lexington Streets
Baltimore, MD 21202
Mr. Terry Holinsky - Saperstein, Holinsky and Strauss - HAND DELIVERED

REVIEW OF OPERATIONS

ENGINEERING, RESEARCH & DEVELOPMENT

U.S.I.'s Engineering Department is constantly striving to attain the highest standards of product innovation and performance. In addition to designing new products and value-engineering existing products, the Engineering Department is responsible for satisfying regulatory standards both in the United States and abroad.

U.S.I.'s in-house engineering capabilities encompass circuit design, printed circuit layout, prototype fabrication, and quality assurance including the design and construction of custom test equipment.

We have pulled together a team of professionals from around the country to keep us in the forefront of electronic design. This, combined with our commitment to produce quality products, enhances our position in the industry.



Testing a prototype of a Perkin-Elmer accessory



Design Engineering Group

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

SELECTED FINANCIAL DATA

	Year ended March 31,				
	1981	1980	1979	1978	1977
Operations					
Sales	\$13,564,805	\$7,856,217	\$6,443,556	\$11,948,146	\$11,278,576
Gross profit	3,887,329	1,500,496	352,773	2,799,435	4,193,787
Selling, general and administrative expenses	2,700,285	2,191,757	1,682,557	1,779,950	1,472,230
Interest income	32,988	173,247	182,572	95,415	67,043
Interest expense	72,088	57,726	56,620	42,129	—
Income taxes (benefits)	497,623	(291,435)	(1,100,937)	463,499	1,398,997
Net income (loss)	664,074	(267,358)	(1,094,736)	618,789	1,397,711
Net income (loss) per common share ⁽¹⁾	.28	(.11)	(.46)	.26	.63
Cash dividends per common share ⁽²⁾	—	—	.033	.133	.08
Weighted average number of common shares outstanding ⁽²⁾	2,371,503	2,365,733	2,365,733	2,365,613	2,219,346
Financial condition					
Total assets	\$ 8,759,870	\$7,336,157	\$7,123,770	\$ 8,355,337	\$ 7,693,669
Long-term debt and capitalized lease obligations (non-current)	964,011	800,620	835,764	867,409	—
Working capital	5,283,234	4,546,796	5,022,056	5,993,087	5,760,730
Current ratio	3.89 to 1	4.46 to 1	7.18 to 1	8.3 to 1	5.29 to 1
Shareholders' equity	5,882,022	5,159,633	5,426,991	6,600,584	6,290,598
Shareholders' equity per share ⁽²⁾	2.48	2.18	2.29	2.79	2.79

(1) In fiscal year 1979, the Company discontinued the manufacture of smoke detectors and, in connection therewith, provided for estimated losses on disposal of related inventory, equipment and other assets in the amount of \$275,965 (before income tax benefits).

(2) Adjusted to give retroactive effect to a three-for-two stock split discussed in note 12 of Notes to Consolidated Financial Statements.

OWINGS MILLS INDUSTRIAL PARK

- RESTRICTIONS -

- 1- All buildings must be located on each plot with a set back of 30 Feet from all property lines except that on property lines adjoining the railroad the buildings may abut the railroad siding.
- 2- All storage areas must be screened from the roads abutting the property with either a woven fence or screen planting to conceal outside storage.
- 3- All buildings must have decorative brick walls facing on the roads abutting the property on which the building is situated.
- 4- All plans for construction of building must be approved by Frank S. Nicoll, Jr. to see that the foregoing restrictions are incorporated in the construction drawings.

AN ATTRACTIVE INDUSTRIAL PARK MAINTAINS
AND INCREASES THE VALUE OF YOUR PROPERTY

BALTIMORE COUNTY
OFFICE OF PLANNING & ZONING
TOWSON, MARYLAND 21204
494-3353

WILLIAM E. HAMMOND
ZONING COMMISSIONER

August 25, 1981

Bernard S. Denick, Esquire
Suite 2900
10 Light Street
Baltimore, Maryland 21202

RE: Petition for Variance
SW/corner of S. Dolfield Rd. & New
Plant Ct. - 4th Election District
Universal Security Instruments, Inc. -
petitioner
NO. 82-28-A (Item No. 227)

Dear Mr. Denick:

I have this date passed my Order in the above captioned matter in accordance with the attached.

Very truly yours,

Jean M.H. Jung
JEAN M.H. JUNG
Deputy Zoning Commissioner

JMHJ/mc

Attachments

cc: Mr. Frederick E. Fauth, President
American Bottlers Equipment Co.
50 Gwynns Mill Court
Owings Mills, Maryland 21117

John W. Hessian, III, Esquire
People's Counsel

AUG 26 1981

PETITION FOR VARIANCE

4th DISTRICT

ZONING: Petition for Variance
LOCATION: Southwest corner of South Dolfield Road and New Plant Court
DATE & TIME: Thursday, July 30, 1981 at 9:30 A.M.
PUBLIC HEARING: Room 106, County Office Building, 111 W. Chesapeake Avenue, Towson, Maryland

The Zoning Commissioner of Baltimore County, by authority of the Zoning Act and Regulations of Baltimore County, will hold a public hearing:

Petition for Variance to permit a side yard setback of Zero feet (0') rather than required thirty feet (30')

The Zoning Regulation to be excepted as follows:

Section 255.1 (238.2) - Minimum side yard setback in an M.I. Zone

All that parcel of land in the Fourth District of Baltimore County

Being the property of Universal Security Instruments, Inc., as shown on plat plan filed with the Zoning Department

Hearing Date: Thursday, July 30, 1981 at 9:30 A.M.
Public Hearing: Room 106, County Office Building, 111 W. Chesapeake Avenue, Towson, Maryland

BY ORDER OF
WILLIAM E. HAMMOND
ZONING COMMISSIONER
OF BALTIMORE COUNTY

BALTIMORE COUNTY
OFFICE OF PLANNING & ZONING
TOWSON, MARYLAND 21204
494-3353

WILLIAM E. HAMMOND
ZONING COMMISSIONER

July 22, 1981

Bernard S. Denick, Esquire
Suite 2900
10 Light Street
Baltimore, Maryland 21202

RE: Petition for Variance
SW/corner of S. Dolfield Rd. & New Plant Ct.
Universal Security Instruments, Inc. - Petitioner
Case No. 82-28-A

Dear Mr. Denick:

This is to advise you that \$78.85 is due for advertising and posting of the above property.

Please make check payable to Baltimore County, Maryland, and remit to Karen Riegel, Room 113, County Office Building, Towson, Maryland 21204 before the hearing.

Very truly yours,

William E. Hammond
WILLIAM E. HAMMOND
Zoning Commissioner

BALTIMORE COUNTY, MARYLAND
OFFICE OF FINANCE - REVENUE DIVISION
MISCELLANEOUS CASH RECEIPT

No. 100412

DATE 7/28/81 ACCOUNT 01-662

AMOUNT \$78.85

RECEIVED FROM: Plenum, Yumkas, Mallman & Gutman, P.A.

FOR: Posting & Advertising of Case #82-28-A

845 7001 24 7035

VALIDATION OR SIGNATURE OF CASHIER

Bernard S. Denick, Esquire
Suite 2900
10 Light Street
Baltimore, MD 21202

July 1, 1981

NOTICE OF HEARING

RE: Petition for Variance
SW/corner of S. Dolfield Rd. and New Plant Ct.
Universal Security Instruments, Inc. - Petitioner
Case No. 82-28-A

TIME: 9:30 A.M.

DATE: Thursday, July 30, 1981

PLACE: ROOM 106 COUNTY OFFICE BUILDING, 111 W. CHESAPEAKE AVENUE,

TOWSON, MARYLAND

William E. Hammond
ZONING COMMISSIONER OF
BALTIMORE COUNTY

BALTIMORE COUNTY
OFFICE OF PLANNING & ZONING
TOWSON, MARYLAND 21204
494-3353

WILLIAM E. HAMMOND
ZONING COMMISSIONER

August 25, 1981

Bernard S. Denick, Esquire
Suite 2900
10 Light Street
Baltimore, Maryland 21202

RE: Petition for Variance
SW/corner of S. Dolfield Rd. & New
Plant Ct. - 4th Election District
Universal Security Instruments, Inc. -
Petitioner
NO. 82-28-A (Item No. 227)

Dear Mr. Denick:

I have this date passed my Order in the above captioned matter in accordance with the attached.

Very truly yours,

Jean M.H. Jung
JEAN M.H. JUNG
Deputy Zoning Commissioner

JMHJ/mc

Attachments

cc: Mr. Frederick E. Fauth, President
American Bottlers Equipment Co.
50 Gwynns Mill Court
Owings Mills, Maryland 21117

John W. Hessian, III, Esquire
People's Counsel

ORDER RECEIVED FOR FILING

DATE August 25, 1981
BY John P. Gandy, Jr.
COMMISSIONER OF PLANNING

Pursuant to the advertisement, posting of property, and public hearing on the Petition and it appearing that strict compliance with the Baltimore County Zoning Regulations would result in practical difficulty and unreasonable hardship upon the Petitioner(s) and the granting of the variance(s) requested will not adversely affect the health, safety, and general welfare of the community, the variance(s) should ~~not~~ be granted.

Deputy
Therefore, IT IS ORDERED by the Zoning Commissioner of Baltimore County, this 25th day of August, 1981, that the Variance to permit a side yard setback of five feet in lieu of the required thirty feet should be and the same is GRANTED, from and after the date of this Order, subject, however, to the following restrictions:

1. The parking requirements must be recalculated for the total number of existing and proposed employees engaged in the warehouse/manufacture operation and shall be indicated on the site plan.
2. The entire South Dolfield Road/New Plant Court property proposed to be developed by Universal Security Instruments, Inc., for the expansion of the plant and parking area, including the 1.545 acre tract indicated in the Agreement of Sale, marked Petitioner's Exhibit 3, shall be shown on the site plan.
3. A revised site plan, incorporating the restrictions set forth above, shall be submitted for approval by the Maryland Department of Transportation, the Department of Public Works, and the Office of Planning and Zoning, including landscaping, screening, and parking required for approval by the Current Planning and Development Division.

Jan M. H. Jung
Deputy Zoning Commissioner of
Baltimore County

PETITION FOR ZONING VARIANCE TO THE ZONING COMMISSIONER OF BALTIMORE COUNTY:

The undersigned, legal owner(s) of the property situate in Baltimore County and which is described in the description and plat attached hereto and made a part hereof, hereby petition for a Variance from Section 255.1 (238.2) to permit a sideyard setback of zero feet (0') rather than required thirty feet (30').

of the Zoning Regulations of Baltimore County, to the Zoning Law of Baltimore County; for the following reasons: (indicate hardship or practical difficulty) The lot shape and size require the placement of the proposed addition adjacent to the present improvements within the setback lines. The Company presently employs approximately 319 persons and the new facility, will be able to create approximately 200 new positions provided the new facility is placed where requested so as to permit the flow of work to move in harmony with existing facility.

Property is to be posted and advertised as prescribed by Zoning Regulations.

I, or we, agree to pay expenses of above Variance advertising, posting, etc., upon filing of this petition, and further agree to and are to be bound by the zoning regulations and restrictions of Baltimore County adopted pursuant to the Zoning Law For Baltimore County.

I/We do solemnly declare and affirm, under the penalties of perjury, that we are the legal owner(s) of the property which is the subject of this Petition.

Contract Purchaser: _____
(Type or Print Name)
Signature _____
Address _____
City and State _____

Legal Owner(s):
Universal Security Instruments, Inc.
(Type or Print Name)
By Michael Kovens
Signature Michael Kovens
(Type or Print Name)
Signature _____
Address 10324 S. Dolfield Road
Owings Mills, Maryland 21117
City and State _____

Attorney for Petitioner:
Bernard S. Denick
(Type or Print Name)
Signature Bernard S. Denick
Address 10 Light Street
Baltimore, Maryland 21202
City and State _____

Name, address and phone number of legal owner, contract purchaser or representative to be contacted
Name _____
Address _____
Phone No. _____

Attorney's Telephone No.: _____
Phone No. _____

ORDERED By The Zoning Commissioner of Baltimore County, this 2nd day of June, 1981, that the subject matter of this petition be advertised, as required by the Zoning Law of Baltimore County, in two newspapers of general circulation throughout Baltimore County, that property be posted, and that the public hearing be held before the Zoning Commissioner of Baltimore County in Room 106, County Office Building in Towson, Baltimore County, on the 20th day of July, 1981, at 9:30 o'clock A.M.

Jan M. H. Jung
Zoning Commissioner of Baltimore County

(s)(7)

7/20/81
9:30

-2-
June 5, 1981

ITEM NO. 227 Zoning Advisory Committee Meeting June 2, 1981

The total building shall meet the height and area requirements of Section 306 and Table 305. Section 305.0 may not be used due to the two story office area. It appears sprinklers will be required.

Plans shall show access to structure by the handicapped, required parking spaces, signs, curb cuts and other State and Local handicap requirements.

Charles E. Sumner
Charles E. (Ted) Burnham
Plans Review Supervisor

CEB:rrrj

BALTIMORE COUNTY, MARYLAND

INTER-OFFICE CORRESPONDENCE

Nicholas B. Commodari
TO: Zoning Advisory Committee Date: June 3, 1981
Sharon M. Caplan
FROM: Economic Development Commission

SUBJECT: Item #227... Property Owners: Universal Security Instruments, Inc.
Location: SW/Cor. South Dolfield Road & New Plant Court
Existing Zoning: ML
Proposed Zoning: Variance to permit a sideyard setback of 0' in lieu of the required 30'.

Baltimore County's Economic Development Commission has worked closely with Universal Security in regard to tax-free financing, expansion efforts, and new job positions.

The company's requested variance to permit a sideyard setback of 0' in lieu of the required 30' is part of a new/expansion effort to create about 200 new jobs in Baltimore County.

The Economic Development Commission is supporting Universal Security's efforts for a hearing of the earliest possible date to permit final plans and specifications for the construction of an addition to its existing Owings Mills facility. The Commission appreciates any effort the zoning officer can give to this company in setting a date for the hearing.

Please call on us for any further assistance we can provide. Thank you for your cooperation.

Sharon M. Caplan
SHARON M. CAPLAN

SMC:cjt

BALTIMORE COUNTY PUBLIC SCHOOLS

Robert Y. Dubel, Superintendent
Towson, Maryland - 21204

Date: May 27, 1981

Mr. William E. Hammond
Zoning Commissioner
Baltimore County Office Building
1111 West Chesapeake Avenue
Towson, Maryland 21204

Z.A.C. Meeting of: June 2, 1981

RE: Item No: 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228
Property Owner:
Location:
Present Zoning:
Proposed Zoning:

District:
No. Acres:

Dear Mr. Hammond:

All of the above have no bearing on student population.

Very truly yours,
Wm. Nick Petrovich
Wm. Nick Petrovich, Assistant
Department of Planning

KNP/bp



SANITARY CONVEYOR

TELEPHONE 363-4410 AREA CODE 301

Thirty-five years of Packaging Engineering

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

50 GWYNNS MILL COURT OWINGS MILLS, MARYLAND 21117

September 2, 1981

Zoning Commissioner
County Office Building
Towson, Maryland 21204

Subject: Appeal to zoning variance granted
August 29th to Universal Security
Instrument, Inc. case 82-28A, hearing
of 7-30-81.

Please arrange a hearing for appeal from this allowed set-back variance of five feet from New Plant Court in lieu of the required thirty feet.

Yours truly,

F. E. Fauth
Frederick E. Fauth
President
American Bottlers Equip. Co.

FET:jm

Encl: check #510 for \$35.00 to Baltimore County, Maryland as required.

C.C. Mr. Richard Ferber, Esq.-Piper & Marbury
Mr. John W. Hessian III Esq.-Peoples Counsel Balto. County
Mr. Terry Holinsky-Saperstein, Holinsky and Strauss
Mr. Frank G. Nicoll Jr.-Property Investors Co.
Mr. Norman E. Geter, Dir. Office of Planning & Zoning
Baltimore County
Mr. James Lucas-Balto. County Industrial Development Div.

494-3180

County Board of Appeals
Room 219, Court House
Towson, Maryland 21204

Oct. 21, 1981

NOTICE OF ASSIGNMENT

NO POSTPONEMENTS WILL BE GRANTED WITHOUT GOOD AND SUFFICIENT REASONS. REQUESTS FOR POSTPONEMENTS MUST BE IN WRITING AND IN STRICT COMPLIANCE WITH BOARD RULE 2(b). ABSOLUTELY NO POSTPONEMENTS WILL BE GRANTED WITHIN FIFTEEN (15) DAYS OF SCHEDULED HEARING DATE IN ACCORDANCE WITH RULE 2(c), COUNTY COUNCIL BILL #108

CASE NO. 82-28-A UNIVERSAL SECURITY INSTRUMENTS, INC.

S/W corner Dolfield Rd. and New Plant Ct.

4th District

Var.-to permit a side yard setback of 0' in lieu of the required 30'

8/25/81 - D.Z.C. GRANTED variance w/restrictions

ASSIGNED FOR:

TUESDAY, DEC. 15, 1981, at 11 a.m.

cc: Bernard S. Denick, Esq.

Counsel for petitioner

Universal Sec. Instruments, Inc. Petitioner

Mr. Frederick Fauth

Protestant

Richard Ferber, Esq.

Counsel for protestant

Mr. Terry Holinsky

Mr. Frank Nicoll, Jr.

Protestant

James D. Lucas, Jr.

J. Dyer

J. Jung

W. Hammond

N. E. Gerber

J. Hoswell

J. W. Hessian, Esq.

John Holman, Secy.

RECEIVED

OCT 23 1981

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS	March 31, 1981	March 31, 1980
Current assets		
Cash	\$ 57,920	\$ 50,737
Certificates of deposit and time deposits (interest bearing)	52,130	386,310
U.S. Treasury bills	—	293,120
Accounts receivable		
Trade (less allowance for doubtful accounts of \$22,489 and \$25,618)	2,530,789	1,682,364
Officers and employees	15,225	17,469
Other	39,024	—
	2,585,038	1,699,833
Refundable income taxes	—	344,513
Inventories		
Finished goods	853,919	500,422
Work-in-process	1,671,801	619,841
Raw materials	1,958,770	1,834,728
	4,284,490	2,954,989
Prepaid expenses	131,849	98,805
Inventory and equipment to be disposed of, at estimated value	—	31,085
Total current assets	7,111,427	5,859,392
Property plant and equipment	1,589,809	1,426,747
Other assets and deferred charges	58,634	50,018
	\$8,759,870	\$7,336,157

The accompanying notes are an integral part of these financial statements.

10

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

LIABILITIES	March 31, 1981	March 31, 1980
Current liabilities		
Current maturity of long-term obligation under capital lease	\$ 39,235	\$ 36,176
Accounts payable	1,097,917	1,098,745
Income taxes	432,918	14,454
Accrued liabilities		
Payroll, commissions and payroll taxes	208,859	152,412
Other expenses	30,427	4,163
Deferred income taxes	19,837	6,646
Total current liabilities	1,828,193	1,312,596
Long-term debt	200,000	—
Long-term obligation under capital lease	764,011	870,620
Deferred income taxes	85,644	63,308
Commitments and contingencies (Notes 3, 4, 5, 7 and 8)	—	—
Shareholders' equity		
Common stock, \$0.1 par value:		
6,000,000 shares authorized, 2,388,983 and 1,577,155 shares issued and outstanding (Note 12)	23,890	15,771
Additional paid-in capital	5,116,475	5,066,279
Retained earnings	741,857	77,583
	5,882,222	5,159,633
	\$8,759,870	\$7,336,157

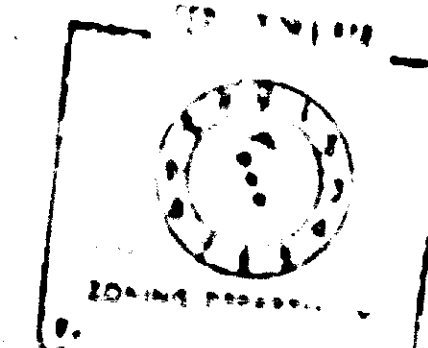
The accompanying notes are an integral part of these financial statements.

11

AMBEC SANITARY CONVEYOR

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

511 GAYNES MILL COURT BALTIMORE, MARYLAND 21217



BALTIMORE COUNTY, MARYLAND
OFFICE OF FINANCE - REVENUE DIVISION
MISCELLANEOUS CASH RECEIPT

No. 101623

DATE 9/17/81 RECEIPT 31-648

AMOUNT \$15.00

PAID TO Frederick E. Fauth

For Appeal fee for Case 82-21-A (Universal Security)

September 12, 1981

Frederick E. Fauth, Esquire
Suite 2100
10 Light Street
Baltimore, Maryland 21202

RE: Petition for Variance
SW/corner of South Duffield Rd. & New Plant
Court - 4th Election District
Universal Security Instruments, Inc. - Petitioner
Case No. 82-21-A (Item 227)

Dear Mr. Fauth:

Please be advised that an Appeal has been filed by Frederick E. Fauth, President of American Bottlers Equipment Company, Inc. dated September 2, 1981, from the decision rendered by the Deputy Zoning Commissioner of Baltimore County in the above-referenced matter.

You will be notified of the date and time of the appeal hearing when it is scheduled by the County Board of Appeals.

Very truly yours,

William E. Hammond
William E. Hammond
Zoning Commissioner

WELH:R

cc: John W. Hessian, III, Esquire
People's Counsel

CHARLES YUMKAS
LLOYD S. MAILMAN
EDWARD J. GUTMAN
BERNARD S. GENTIN
FRANK S. ASTROTH
MAX S. STAFFELD
THOMAS A. BAKER
ROCHELLE S. EISENBERG
ANTHONY P. PALAIGOS
JACOB BLUM
COUNSEL

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P.A.
1800 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4181
AREA CODE 301

June 18, 1982

Mr. Elmer H. Kahline, Jr., Clerk
Circuit Court for Baltimore County
County Courts Building
401 Bosley Avenue
P.O. Box 6754
Towson, Maryland 21204-0754

Re: In the Matter of Universal Security Instruments, Inc.
Case No. 82-M-64, Docket: 14, Folio: 69

Subject: Reply Memorandum

Dear Mr. Clerk:

Enclosed for docketing in the above-captioned matter please find Appellant's, Universal Security Instruments, Inc., Reply Memorandum.

Very truly yours,

Anthony P. Palaigos

APP:dmk
encl.

cc: County Board of Appeals
John P. Machen, Esquire
John W. Hessian, III, Esquire
Peter Max Zimmerman, Esquire
Mr. Terry Holinsky
Mr. Frank Nicholl, Jr.
Mr. Stanley W. Katz

RECEIVED
BALTIMORE COUNTY
JUN 21 11 46 AM '82
COUNTY CLERK'S
OFFICE

LAW OFFICES OF
PIPER & MARBURY

100 CHARLES CENTER SOUTH
38 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201

TELEPHONE 301-539-9530
CABLE PIPERMAR BAL
TELEX 908054

606 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE 202-745-0850

June 4, 1982

Elmer H. Kahline, Jr., Clerk
Circuit Court for Baltimore County
County Courts Building
Towson, Maryland 21204

Re: Universal Security Instruments, Inc.
Appellant/Petition,
Docket 14, Folio 69
Case No. 82-M-64

Dear Mr. Kahline:

Please accept for filing the enclosed Memorandum In Opposition to Appeal of Universal Security Instruments, Inc. filed by American Bottlers Equipment Company, Inc. in the above-captioned case.

Sincerely,

John P. Machen
John P. Machen

Enclosure

cc: Mr. Frederick E. Fauth

JPM:brm

RECEIVED
JUN 7 1982
BALTIMORE COUNTY
CLERK'S
OFFICE



Baltimore County, Maryland

BY: JOHN W. HESSIAN, III
People's Counsel

JOHN W. HESSIAN, III
People's Counsel
PETER MAX ZIMMERMAN
Esquire

Mr. Joyce Grimes, Director
Circuit Court Assignment Office
County Courts Building
Towson, Maryland 21204

RE: All in Opposition to Matter 82-M-64
Universal Security Instruments, Inc. v. American Bottlers Equipment Company, Inc.
Docket 14, Folio 69

Dear Mr. Grimes:

The above case is set for hearing, on June 29, 1982, at 9:30 A.M.

Attest: Tuesday, June 29, 1982, 9:30 A.M.

Universal Security Instruments, Inc.
Tuesday, June 29, 1982, 9:30 A.M.

Present: Frederick E. Fauth, Esquire

Universally, the Court is in session on June 29, 1982, at 9:30 A.M. and the parties are present and ready to proceed with the hearing.

Very truly yours,

Peter Max Zimmerman
County People's Counsel

cc: Carl Berenholz, Esquire
Anthony P. Palaigos, Esquire
Richard Lipton, Esquire
John P. Machen, Esquire
John W. Hessian, Esquire

PVZ:ah

BLUM YUMKAS MAILMAN & GUTMAN, P.A.
1800 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4181
AREA CODE 301

June 7, 1982

RECEIVED

Elmer H. Kahline, Jr., Clerk
Circuit Court for Baltimore County
County Courts Building
401 Bosley Avenue
P.O. Box 6754
Towson, Maryland 21204-0754

Re: In the Matter of Universal Security Instruments, Inc.
Case No. 82-M-64, Docket 14, Folio 69
Subject: Memorandum

Dear Mr. Clerk:

Enclosed for docketing in the above-captioned matter, please find Appellant's, Universal Security Instruments, Inc., Memorandum in Support of its Appeal.

Very truly yours,

BLUM, YUMKAS, MAILMAN & GUTMAN, P.A.

Anthony P. Palaigos

APP:ham

Enclosure

cc: County Board of Appeals
Baltimore County
John P. Machen, Esquire
John W. Hessian, III, Esquire
Peter Max Zimmerman, Esquire
Mr. Terry Holinsky
Mr. Frank Nicholl, Jr.
Mr. Stanley W. Katz

RECEIVED
JUN 10 1982
BALTIMORE COUNTY
CLERK'S
OFFICE

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

	YEARS ENDED MARCH 31		
	1981	1980	1979
Sales	\$13,564,805	\$7,856,217	\$6,443,556
Cost of sales	9,877,476	6,355,721	6,090,783
Gross profit	3,687,329	1,500,496	352,773
Selling, general and administrative expense	2,700,285	2,191,757	1,682,557
Operating income (loss)	1,187,044	(691,261)	(1,329,784)
Other income (expense)			
Interest income	32,986	173,247	182,572
Interest expense	(72,098)	(57,726)	(56,620)
Provision for estimated losses on disposal of assets	—	—	(875,965)
Settlement of litigation	—	—	(139,126)
Miscellaneous income	13,765	16,947	23,250
	(25,347)	132,468	(865,889)
Income (loss) before income taxes	1,161,697	(558,793)	(2,195,673)
Income taxes (benefit)	497,623	(291,435)	(1,100,937)
Net income (loss)	\$ 664,074	\$ (267,358)	\$(1,094,736)
Earnings (loss) per common share (Note 12)	\$.28	\$ (.11)	\$ (.46)

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

YEARS ENDED MARCH 31, 1981, 1980 AND 1979

	Common stock		Additional paid-in capital	Retained earnings	Total
	Shares	Amount			
Balance, March 31, 1978	1,577,155	\$15,771	\$5,066,279	\$1,518,534	\$6,600,584
Net loss	—	—	—	(1,094,736)	(1,094,736)
Cash dividends	—	—	—	(78,857)	(78,857)
\$.033 per share (Note 12)	—	—	—	(78,857)	(78,857)
Balance, March 31, 1979	1,577,155	15,771	5,066,279	344,941	5,426,991
Net loss	—	—	—	(267,358)	(267,358)
Balance, March 31, 1980	1,577,155	15,771	5,066,279	77,583	5,159,633
Net income	—	—	—	664,074	664,074
Common stock issued pursuant to exercise of stock options	15,500	155	58,160	—	58,315
Three-for-two stock split in form of stock dividend (Note 12)	796,328	7,964	(7,964)	—	—
Balance, March 31, 1981	2,388,983	\$23,890	\$5,116,475	\$ 741,657	\$5,882,022

The accompanying notes are an integral part of these financial statements.

12

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	YEARS ENDED MARCH 31		
	1981	1980	1979
Working capital provided from (used for)			
Net income (loss)	\$ 664,074	\$ (267,358)	\$(1,094,736)
Add charges (deduct credit) against earnings not affecting working capital			
Depreciation and amortization	176,681	125,490	133,939
Deferred income taxes	22,336	14,155	(18,354)
Provision for estimated losses on disposal of equipment and other non-current assets	—	—	235,466
Book value of assets disposed of	883,101	(127,713)	(743,685)
Working capital provided from (used for) operations	6,892	8,123	6,191
Proceeds from issuance of capital stock under stock option plan (including related income tax benefit)	868,993	(119,520)	(737,494)
Proceeds from long-term debt	58,315	—	—
Equipment to be disposed of, estimated value	200,000	—	—
Acquisition of property plant and equipment	—	—	19,920
Payments and current maturities of long-term obligation under capital lease	(346,645)	(312,185)	(120,626)
Dividends	(36,609)	(34,444)	(32,345)
Change in other non-current assets	—	—	(78,857)
Increase (Decrease) in working capital	(9,616)	(9,111)	(21,629)
	\$ 736,438	\$ (475,200)	\$ (971,031)
Increase (Decrease) in working capital consisted of			
Cash	\$ 7,193	\$ 11,062	\$ (359,797)
Certificates of deposit and time deposits	(334,180)	(1,598,194)	1,513,939
U.S. Treasury bills	(293,120)	293,120	(1,285,062)
Accounts receivable	885,205	920,785	(665,531)
Refundable income taxes	(344,513)	(764,543)	572,575
Inventories	1,329,501	1,148,926	(783,528)
Prepaid expenses	33,044	48,608	(22,997)
Inventory and equipment to be disposed of, estimated value	(31,085)	(24,567)	55,652
Deferred income taxes	(12,191)	(17,769)	(3,557)
Current maturity of long-term obligation under capital lease	(3,059)	(3,099)	(2,712)
Accounts payable	828	(478,373)	(19,603)
Income taxes	(418,464)	8,816	(15,726)
Accrued payroll, commissions and payroll taxes	(56,447)	(63,758)	4,249
Accrued other expenses	(26,264)	43,026	(37,791)
Dividends payable	—	—	78,858
	\$ 736,438	\$ (475,200)	\$ (971,031)

The accompanying notes are an integral part of these financial statements.

13

CHARLES YUMKAS
LLOYD S. MAILMAN
EDWARD J. GUTMAN
BERNARD S. DENICK
FRANK S. ASTROTH
MAX S. STADFIELD
THOMAS A. BAKER
ROCHELLE S. EISENBERG
ANTHONY P. PALAIGOS
JACOB BLUM
COUNSEL

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.
1800 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4151
AREA CODE 301

March 23, 1982

Mr. Elmer H. Kahline, Jr.,
Clerk
Circuit Court for Baltimore County
County Courts Building
401 Bosley Avenue
P.O. Box 6754
Towson, Maryland 21204-0754

Re: In the Matter of Universal Security Instruments, Inc.
Case No. 82-M-64, Docket No. 14, Folio No. 69

Dear Mr. Clerk:

Enclosed for docketing in the above captioned matter, please find the Motion and Application of Petitioner, Universal Security Instruments, Inc. to Extend Time for Transmission of Record.

Also enclosed, please find an original and copy of an Order to be signed by the Court in connection with this matter, approving and Ordering the request for the Extension of Time as contained in the aforementioned Motion. I would very much appreciate once the Court has signed the aforementioned Order that you true test the copy and return to me as soon as possible.

I would therefore very much appreciate your prompt attention to this matter and the submission of the foregoing Motion and Order to the Court for its approval.

If I can be of any assistance to you in connection with this matter, please do not hesitate to contact me.

Very truly yours,

Anthony P. Palaigos

APP:dmk
encl.

cc: County Board of Appeals
of Baltimore County

Frederick E. Fauth
Richard Ferber, Esquire
Terry Holinsky
Frank Nicoll, Jr.
John W. Hession, III, Esquire

CHARLES YUMKAS
LLOYD S. MAILMAN
EDWARD J. GUTMAN
BERNARD S. DENICK
FRANK S. ASTROTH
MAX S. STADFIELD
THOMAS A. BAKER
ROCHELLE S. EISENBERG
ANTHONY P. PALAIGOS
JACOB BLUM
COUNSEL

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.
1800 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4151
AREA CODE 301

March 15, 1982

June Holman, Secretary
County Board of Appeals
Room 219
Court House
Towson, Maryland 21204

Re: Case No: 82-28-A
Universal Security Instruments, Inc.

Dear Ms. Holman:

In response to your letter dated March 12, 1982 and invoice of even date enclosed please find our check in the amount of \$26.00 which represents payment for the cost of certified documents filed in case no. 82-28-A.

Very truly yours,

BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.

Anthony P. Palaigos

APP:jb

Enclosure

474-3180

County Board of Appeals

Room 219, Court House
Towson, Maryland 21204
March 12, 1982

Bernard S. Denick, Esq., and
Anthony P. Palaigos, Esq.
1800 Munsey Bldg.
7 N. Calvert St.
Baltimore, Md. 21202

Re: Case No. 82-28-A
Universal Security Instruments, Inc.

In accordance with Rule 5-7 (a) of the Rules of Procedure of the Court of Appeals of Maryland, the County Board of Appeals is required to submit the record of proceedings of the zoning appeal which you have taken to the Circuit Court for Baltimore County in the above matter within thirty days.

The cost of the transcript of the record must be paid by you. Certified copies of any other documents necessary for the completion of the record must also be at your expense.

The cost of the transcript, plus any other documents, must be paid in time to transmit the same to the Circuit Court not later than thirty days from the date of any petition you might file in court, in accordance with Rule 5-7 (c).

Enclosed is a copy of the Certificate of Notice; also invoice covering the cost of certified copies of necessary documents.

Very truly yours,

June Holman
June Holman, Secretary

Encls.
cc: Mr. Michael Kovens,
Universal Security Instruments, Inc.

March 12, 1982

BILLED TO: Bernard S. Denick, Esq. and
Anthony P. Palaigos, Esq.
1800 Munsey Bldg.
7 N. Calvert St. (21202)

Cost of certified documents filed
in Case No. 82-28-A \$26.00

Universal Security Instruments, Inc.
SW/cor. of S. Doldfield Rd. and New Plant Ct.
4th District

MAKE CHECKS PAYABLE TO: Baltimore County, Md.

REMIT TO: County Bd. of Appeals
Rm. 200, Court House
Towson, Md. 21204

494-3180

County Board of Appeals

Room 219, Court House
Towson, Maryland 21204
March 12, 1982

Richard Ferber, Esq.
1100 Charles Center South
36 S. Charles St.
Baltimore, Md. 21201

Dear Mr. Ferber: Re: Case No. 82-28-A
Universal Security Instruments, Inc.

Notice is hereby given, in accordance with the Rules of Procedure of the Court of Appeals of Maryland, that an appeal has been taken to the Circuit Court for Baltimore County from the decision of the County Board of Appeals rendered in the above matter.

Enclosed is a copy of the Certificate of Notice.

Very truly yours,

June Holman
June Holman, Secretary

Encl.
cc: Mr. Frederick Fauth
Mr. Terry Holinsky
Mr. Frank Nicoll, Jr.
J. D. Lucas, Jr.
J. Dyer
J. Jung
N. Gerber
J. Howell
J. W. Hession, Esq.
W. Hammond

LAW OFFICES

BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.
1800 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4151
AREA CODE 301

March 10, 1982

HAND DELIVER

Elmer H. Kahline, Jr., Clerk
Circuit Court for Baltimore County
County Courts Building
401 Bosley Avenue
P. O. Box 6754
Towson, Maryland 21204-0754

Re: Appeal of Administrative
Decision/County Board of
Appeals of Baltimore County
Case No: 82-28-A

Dear Mr. Clerk:

Enclosed for docketing please find the Order for Appeal accompanied with the Certificate of Compliance with Maryland Rule B2. Also enclosed please find our check in the amount of \$65.00 which covers the cost of docketing said Order.

I would therefore very much appreciate your prompt docketing of same and if I can be of any assistance, please do not hesitate to contact.

Very truly yours,

BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.

Anthony P. Palaigos

APP:jb

cc: County Board of Appeals, Baltimore County

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) PRINCIPLES OF CONSOLIDATION —

The consolidated financial statements include the accounts of the Company and those of its wholly-owned subsidiaries.

(b) ACCOUNTS RECEIVABLE —

The Company provides allowances for doubtful receivables by a charge against income in amounts equal to the estimated losses that will be incurred in collection of all receivables. The estimated losses are based on historical collection experience and a review of the current status of the existing receivables. Customer accounts are written off against the allowance for doubtful accounts when an account is determined to be uncollectible.

(c) INVENTORIES —

Inventories are stated at the lower of cost, determined by the first-in, first-out method, or market.

(d) PROPERTY, PLANT AND EQUIPMENT —

Property, plant and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization, including amortization of property under capital lease, is provided for by the straight-line method for financial reporting purposes and by accelerated methods for income tax purposes, over estimated useful lives of the assets as follows:

Building	35 years
Building improvements	5 to 10 years
Machinery and equipment	3 to 15 years
Furniture and fixtures	5 to 15 years
Leasehold improvements	Shorter of term of lease or estimated life of improvement

Additions and improvements that add materially to productive capacity or extend the life of an asset are capitalized. Repairs and maintenance are charged to income as incurred. Upon sale or other disposal of depreciable assets, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in income.

(e) INCOME TAXES —

The provision for income taxes is based on elements of income and expense as reported in the consolidated statement of operations, adjusted for permanent timing differences. Deferred income taxes relate to expenses (principally depreciation) which are reported for financial reporting purposes in periods which differ from those in which they are deducted for income tax purposes.

Investment and jobs tax credits are taken into income by reduction of income tax expense in the year in which taxes otherwise payable are reduced by the credit.

Under provisions of the Internal Revenue Code, Federal income taxes on one-half of the taxable income of the Company's wholly-owned DISC subsidiary is deferred as long as the subsidiary qualifies as a Domestic International Sales Corporation and continues to meet certain tests prescribed by the Code.

(f) EARNINGS (LOSS) PER SHARE —

Earnings (loss) per share of common stock have been computed by dividing the net income (loss) by the weighted average number of shares of common stock outstanding. See Note 12 for discussion of three-for-two stock split.

14

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	1981	1980
Land under capital lease	\$ 131,044	\$ 131,044
Building and improvements under capital lease	773,956	773,956
Machinery and equipment	750,255	512,577
Furniture and fixtures	160,990	106,062
Leasehold improvements	241,783	203,801
	2,058,028	1,727,460
Less accumulated depreciation and amortization (including amortization of building and improvements under capital lease of \$106,356 and \$78,675)	468,219	300,713
	<u>\$1,589,809</u>	<u>\$1,426,747</u>

The Company's principal production, warehousing and office facility is occupied under a capital lease described in Note 4.

3. LONG-TERM DEBT

The Company entered into a Credit Agreement on March 27, 1981 with two banks providing for a revolving line of credit up to \$3,000,000 until March 31, 1984. The loans mature beginning April 1, 1984 and are payable in twelve even consecutive quarterly installments beginning July 1, 1984. The agreement provides for interest calculated on the basis of one of three methods at the Company's option, one of which is the prime rate through March 31, 1983, the prime rate plus one-quarter of one percent per annum from April 1, 1983 to March 31, 1984, and the prime rate plus one-half of one percent per annum from April 1, 1984 to March 31, 1987. Additionally the agreement provides for the payment of a fee of one-half of one percent per annum on the unused portion of the commitment.

At March 31, 1981, the outstanding balance of the loan was \$200,000.

In addition to covenants and provisions customary for loans of this nature, the Credit Agreement restricts (i) the incurrence of additional liability for borrowed funds without the prior written consent of the banks, (ii) the payment of dividends or other distributions to shareholders during any fiscal year to an amount equal to fifty percent of the Company's consolidated net income for its immediate prior fiscal year, and (iii) capital expenditures (including capital leases) to \$400,000 in any fiscal year. Notwithstanding these covenants, the Company may incur debt in an amount not to exceed \$2,000,000 for the acquisition of a new manufacturing plant proposed to be constructed in 1982.

The Company must also (i) maintain a ratio of current assets to current liabilities of not less than 3.0 to 1 from March 31, 1982, 2.5 to 1 from April 1, 1982 to March 31, 1983, 2.25 to 1 from April 1, 1983 and thereafter, (ii) maintain working capital, as defined in the agreement, of not less than \$5,000,000 to March 31, 1982, \$8,000,000 from April 1, 1982 to March 31, 1983, \$11,000,000 from April 1, 1983 to March 31, 1984, and

15

494-3180

County Board of Appeals

Room 219, Court House

Towson, Maryland 21204

February 2, 1982

Mr. Frederick E. Fauth, President
American Bottlers Equipment Co., Inc.
50 Gwynns Mill Ct.
Owings Mills, Md. 21117

Re: Case No. 82-28-A
Universal Security Instruments, Inc.

Dear Mr. Fauth:

Enclosed herewith is a copy of the Opinion and Order passed today by the County Board of Appeals in the above entitled case.

Very truly yours,

June Holmen
June Holmen, Secretary

Encl.

cc: Bernard Denick, Esq. and
Anthony P. Palaigos, Esq.
Universal Security Instruments, Inc.
Richard Ferber, Esq.
Mr. Terry Holinsky
Mr. Frank Nicoll, Jr.
Mr. James Lucas, Jr.
J. E. Dyer
W. Hammond
J. Jung
N. Gerber
J. Hoswell
J. W. Hession, Esq.

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.
1800 MURSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4151
AREA CODE 301

January 12, 1982

County Board of Appeals
Room 219
Court House
Towson, Maryland 21204

Attention: Mr. William T. Hackett,
Chairman

Re: Case No. 82-28-A
Universal Security Instruments, Inc.

Dear Mr. Hackett:

Enclosed for docketing in the above captioned case is the Petitioner's Post-Hearing Memorandum in support of its Petition for Variance.

I would very much appreciate your docketing same in the aforementioned case and distributing said Memorandum to the appropriate members of the County Board of Appeals.

Very truly yours,

Anthony P. Palaigos
Anthony P. Palaigos

APP:dmk
encl.

cc: Mr. Stan Katz
Universal Security Instruments, Inc.

Peter Max Zimmerman, Esquire
Deputy People's Counsel

RECEIVED
BAL. CLERK TO CLERK
JAN 13 9 21 AM '82
OFFICE OF THE CLERK
BY: [Signature]

10/22/81 - Notified the following of hearing set for Tuesday, Dec. 15, 1981, at 11 a.m.:

Bernard Denick, Esq. J. Dyer
Universal Sec. Instruments, Inc. J. Jung
Fred. Fauth W. Hammond
Richard Ferber, Esq. N. Gerber
Terry Holinsky J. Hoswell
Frank Nicoll, Jr. J. Hession
James Lucas, Jr.

January 7, 1982

Anthony P. Palaigos, Esquire
1800 Munsey Building
7 North Calvert Street
Baltimore, Md. 21202

Re: Case No. 82-28-A
Universal Security Instruments, Inc.

Dear Mr. Palaigos:

It is the practice of the Board of Appeals to be lenient in the due dates of Memoranda if there is no obvious effort to delay the case by the late filing. Since the Memorandum in question was filed in a relatively short period after the actual due date, we have accepted it, and will extend this same courtesy to you if it is necessary for your reply.

Very truly yours,

William T. Hackett
William T. Hackett, Chairman

W.H.

BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.

1800 MURSEY BUILDING

7 NORTH CALVERT STREET

BALTIMORE, MD. 21202-1964

December 30, 1981

County Board of Appeals
Room 219
Court House
Towson, Maryland 21204

Attention: Mrs. Eisenstad

Re: Case No. 82-28-A
My Client: Universal Security Instruments, Inc.
Subject: Time for Filing by the People's Counsel
Its Legal Memorandum

Dear Mrs. Eisenstad:

I am specifically requesting that you enclose in the record in the aforementioned case number 82-28-A my objection to the Board's either accepting the People's Counsel's legal memorandum beyond the date which was given to them at the hearing for its filing which was December 28, 1981, or the Board's granting to the People's Counsel an extension of time for the filing of said legal memorandum.

This objection was precipitated by a telephone call received by my office on December 23, 1981 from Peter Zimmerman, Esquire, indicating that he will need additional time to prepare and submit his legal memorandum in the aforementioned case. My objection to either the acceptance or the extension of time is based on my client's desire to conclude the matters pending before the County Board of Appeals.

It is our position that we have satisfied our burden in establishing the requisite standard for the granting of our sideyard variance and this particular case does not warrant a prolonging of the decision of the County Board of Appeals. I would, therefore, very much appreciate your filing in the record this matter which is to be included as part of the record.

Very truly yours,

Anthony P. Palaigos
Anthony P. Palaigos

APP:hp

cc: Mr. Frederick Fauth
Peter Zimmerman, Esquire
Mr. Stanley Katz

BLUM, YUMKAS, MAILMAN & GUTMAN, P. A.

1800 MURSEY BUILDING

7 NORTH CALVERT STREET

BALTIMORE, MD. 21202-1964

October 15, 1981

Chairman,
County Board of Appeals
Room 200
Courthouse
Towson, Maryland 21204

Re: Petition for Variance
SW/Corner of South Doldfield Road
and New Plant Court - 4th Election District
Case No. 82-28-A (Item - 227)

Dear Mr. Chairman:

On September 2, 1981 an appeal was taken by Frederick E. Fauth, President of American Bottlers Equipment Co. of the decision rendered by Jean M. H. Jung, Deputy Zoning Commissioner, granting the variance.

I have been advised by your office that it would probably be early winter 1982 at the earliest before this appeal could be heard.

It is requested by this letter that this appeal, if at all possible be heard as soon as possible before the early winter of 1982. The variance request was part of an overall expansion project by Universal which is now delayed as a result of the appeal. This expansion project also involves the use of Industrial Revenue Bond financing which could also be placed in jeopardy as a result of a delay in the appeal process. Extreme hardship is now being placed on Universal as a result of the appeal and any process which would allow for the speedy resolution of the appeal would be greatly appreciated.

If therefore, this appeal can be heard as soon as possible it would be greatly appreciated.

Very truly yours,

Anthony P. Palaigos
Anthony P. Palaigos

APP:dmk

cc: Stanley W. Katz, Vice-President
Universal Security Instruments, Inc.
William E. Hammond, Zoning Commissioner
James Lucas

RECEIVED
BAL. CLERK TO CLERK
OCT 20 1 21 PM '81
OFFICE OF THE CLERK
BY: [Signature]

12/15/81

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

\$12,000,000 thereafter; (iii) maintain a ratio of liabilities to tangible net worth of not greater than 1.1 to 1.0, and (iv) maintain tangible net worth of not less than \$5,700,000 to March 31, 1982, \$7,500,000 from April 1, 1982 to March 31, 1983, \$12,000,000 from April 1, 1983 to March 31, 1984, \$15,000,000 from April 1, 1984 to March 31, 1985, \$18,000,000 from April 1, 1985 to March 31, 1986, and \$22,000,000 from April 1, 1986 to March 31, 1987.

The agreement provides for the payment of a fee at the average loan interest rate on the excess of ten percent of the average daily principal loan balance over the average daily amount of net free collected balances maintained with the banks.

4. LEASES

The Company's principal office, production and warehousing facility is occupied under a lease agreement with Baltimore County, Maryland. The lease, which expires in 1986, provides for annual rental payments in an amount equal to the principal and interest payments on a loan made by Baltimore County to acquire the property. The Company has guaranteed the repayment of the loan of the County. Title to the property will pass to the Company upon full payment of aggregate rentals. The lease is being accounted for as a capital lease.

The following schedule presents the future minimum lease payments required under the lease together with the present value of the net minimum lease payments as of March 31, 1981:

Year ended March 31,	
1982	\$ 85,611
1983	85,611
1984	85,611
1985	82,518
1986	73,239
Thereafter	862,338
Total minimum lease payments	1,274,928
Less amount representing interest (at 6 1/4% per annum)	471,882
Total obligation under capital lease	803,046
Less current portion of obligation under capital lease	39,235
Long-term obligation under capital lease	\$ 764,011

The capital lease contains certain covenants and conditions which include the requirement that the Company maintain \$3,000,000 of working capital and \$5,000,000 of tangible net worth as defined by the lease agreement.

Rental expense under operating leases with terms greater than one month was \$48,386, \$44,223 and \$30,174 for the years ended March 31, 1981, 1980 and 1979, respectively. Minimum future annual rental for operating leases of real property are as follows:

Year ended March 31,	
1982	\$70,978
1983	52,802
1984	41,955
1985	3,497

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UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

5. INCOME TAXES

The provision (benefit) for income taxes consists of the following:

	Year ended March 31,		
	1981	1980	1979
Current			
Federal	\$390,650	(\$276,336)	(\$ 945,186)
State	72,446	(46,323)	(140,954)
Deferred			
Federal	28,604	26,975	(12,791)
State	4,923	4,249	(2,006)
	\$497,623	(\$291,439)	(\$1,100,937)

Investment and jobs tax credits used to reduce taxes currently payable or to increase the refund from carryback to prior years amounted to \$48,066, \$29,077 and \$6,273 in 1981, 1980 and 1979, respectively.

Deferred income tax expense (benefit), resulting from differences in the timing of recognition of expense for financial reporting and for tax purposes, is as follows:

	Year ended March 31,		
	1981	1980	1979
Excess of depreciation for income tax purposes over financial reporting purposes	\$ 20,457	\$ 16,722	\$ (17,822)
Excess of provision for doubtful accounts for tax purposes over financial reporting purposes	12,191	16,375	4,093
Miscellaneous	1,879	(1,879)	(11,968)
	\$ 34,527	\$ 31,224	\$ 14,797

A reconciliation of the rate of the provision (benefit) for income taxes as a percent of income (loss) before tax with the computed "expected" Federal income tax rate is as follows:

	Year ended March 31,		
	1981	1980	1979
Computed "expected" tax rate (benefit)	44.3%	(43.6%)	(47.4%)
Increase (reductions) in tax			
State income tax, net of Federal tax effect	3.9	(4.0)	(3.3)
Investment and jobs tax credits	(4.1)	(5.2)	-
Miscellaneous	(1.2)	6	6
	42.8%	(52.2%)	(50.1%)

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CHARLES YUMKAS
LLOYD S. MAILMAN
EDWARD J. GUTMAN
BERNARD S. DENICK
FRANK S. ASTROTH
MAX S. STADFIELD
THOMAS A. BAKER
ROCHELLE S. EISENBERG
ANTHONY P. PALAIGOS
JACOB BLUM
COUNSEL

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P.A.
1800 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4151
AREA CODE 301

November 13, 1981

County Board of Appeals
Room 219, Court House
Towson, Maryland 21204

Attn: Mrs. Eisenstad

Re: Case No. 82-28-A
Subject: Request for the Issuance
of a Subpoena Duces Tecum

Dear Mrs. Eisenstad:

Enclosed please find an original and two copies of a Request for the Issuance of a Subpoena Duces Tecum to John J. Dillon, Jr., of the Office of Planning and Zoning, County Courts Building, Towson, Maryland 21204, for the hearing schedule in the aforementioned case on December 15, 1981 at 11:00 a.m.

It would be very much appreciated if you would have said Subpoena Duces Tecum issued to Mr. Dillon for his appearance in accordance with the terms therein.

If I can be of any further assistance to you, or supply any additional information with respect to the request for the Subpoena Duces Tecum, please do not hesitate to communicate with me.

Very truly yours,

BLUM, YUMKAS, MAILMAN & GUTMAN, P.A.

Anthony P. Palaigos
Anthony P. Palaigos

APP/kam
Enclosures
cc: Mr. Frederick E. Pauth
John W. Hessian, III, Esquire

RECEIVED
SEP 21 1981
COUNTY CLERK
BALTIMORE

AMBER SANITARY CONVEYOR

TELEPHONE 363-4400 AREA CODE 301

Forty-five years of Packaging Engineering

AMERICAN BOTTLERS EQUIPMENT COMPANY INC.

50 GWYNNS MILL COURT OWINGS MILLS, MARYLAND 21117

September 2, 1981

Zoning Commissioner
County Office Building
Towson, Maryland 21204

Subject: Appeal to zoning variance granted August 25th to Universal Security Instrument, Inc. case 82-28A, hearing of 7-30-81.

Please arrange a hearing for appeal from this allowed set-back variance of five feet from New Plant Court in lieu of the required thirty feet.

Yours truly,
F. E. Fauth
Frederick E. Fauth
President
American Bottlers Equip. Co.

FEP:jm

Encl: check #10 for \$35.00 to Baltimore County, Maryland as required.

C.C. Mr. Richard Ferber, Esq.-Piper & Harbury
Mr. John W. Hessian III Esq.-Peoples Counsel Balto. County
Mr. Terry Holinsky-Caperstein, Holinsky and Strauss
Mr. Frank G. Nicoll Jr.-Property Investors Co.
Mr. Norman E. Gaskler, Dir. Office of Planning & Zoning
Baltimore County
Mr. James Lucas-Balto. County Industrial Development Div.

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P.A.
10 LIGHT STREET
SUITE 2900
BALTIMORE, MD. 21202

TELEPHONE
539-4151
AREA CODE 301

August 10, 1981

Ms. Jane Marie Junc,
Deputy Zoning Commissioner
of Baltimore County
County Office Building
Towson, Maryland 21204

RE: CASE NO: 82-28-A
Petitioner: Universal Security
Instruments, Inc.

Dear Ms. Junc:

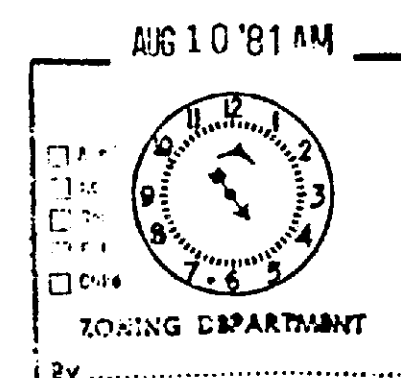
Enclosed for inclusion in the record of the above-captioned zoning variance proceedings is the Memorandum of Facts and Legal Argument in support of the Petitioner's variance request.

Would you therefore please accept same for inclusion and carefully review same in your deliberations.

Very truly yours,
Anthony P. Palaigos
Anthony P. Palaigos

cc: Mr. Stanley Katz, Vice President
Universal Security Instruments, Inc.
10324 S. Dolfield Road
Owings Mills, Maryland 21117

John W. Hessian, III, Esquire
People's Counsel for Baltimore County
Room 223, Court House
Towson, Maryland 21204



PETITION FOR VARIANCE
S.W. CORNER OF SOUTH
DOLFIELD ROAD AND
NEW PLANT COURT
(4th DISTRICT)

PETITIONER: UNIVERSAL SECURITY
INSTRUMENTS, INC.

BEFORE THE ZONING
COMMISSIONER OF
BALTIMORE COUNTY

CASE NO: 82-28-A

MEMORANDUM OF FACTS AND LEGAL ARGUMENT
IN SUPPORT OF PETITIONER'S REQUEST FOR ZONING VARIANCE

Submitted by:

Bernard S. Denick
Bernard S. Denick

Anthony P. Palaigos
Anthony P. Palaigos
Blum, Yumkas, Mailman & Gutman, P.A.
10 Light Street
Suite 2900
Baltimore, Maryland 21202
539-4151

Attorneys for Petitioner

A. BACKGROUND

The Petitioner, Universal Security Instruments, Inc., is the fee simple owner of a tract of land containing approximately eleven (11) acres, and the improvements situated thereon, located in the Owings Mills Industrial Park, in Baltimore County, Maryland, the improvements thereon being more particularly known as 10324 S. Dolfield Road ("the Property"). The Property is used for the research, development, manufacture, storage and sale of highly sophisticated electronic equipment. The Petitioner presently employs more than 325 persons at the Property.

The Petitioner, as part of an overall physical expansion program, recently submitted a petition to the Zoning Commissioner of Baltimore County requesting a variance from Section 255.1 (Section 238.2) of the Zoning Regulations of Baltimore County. The aforementioned regulation requires that each property maintain a sideyard of no less than thirty feet (30'). The Petitioner has requested that the 30 foot sideyard requirement be reduced to zero feet so as to allow for the expansion of the Petitioner's building to the east of the existing facility to accommodate additional manufacturing lines.

In accordance with applicable rules and regulations, the petition was properly and timely advertised and the property posted in the required manner.

A hearing was held July 30, 1981 before Jane Marie Junc,

Deputy Zoning Commissioner for Baltimore County at which time testimony from Stanley Katz, Petitioner's Vice President and Chief Financial Officer ("Katz") and from Allen Schwartz, Petitioner's Director of Manufacturing ("Schwartz") was presented. In addition to the testimony, the Petitioner introduced into evidence five (5) exhibits, being more particularly identified as follows:

- Exhibit 1 - One photograph of Petitioner's Manufacturing line.
- Exhibit 2 - Petitioner's 1981 Annual Report.
- Exhibit 3 - Contract of Sale for the purchase of 1.5 acres by the Petitioner to the west of Petitioner's property.
- Exhibit 4 - Two photographs of existing parking west of Petitioner's building.
- Exhibit 5 - Three photographs of the area east of the Petitioner's building which area is the subject of this variance request.

At the conclusion of the Petitioner's argument, and there being no other testimony or evidence introduced, either for or against the petition, the Deputy Commissioner suggested that a tour of the Petitioner's manufacturing facility and the Property would assist in her consideration of the petition.

An inspection of the complex was conducted on August 3, 1981, attended by the Deputy Commissioner, Mrs. Hess of the Office of the People's Counsel for Baltimore County, Jack Dillon of the Baltimore

UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

5. INCOME TAXES (Continued)

The Internal Revenue Service has proposed adjustments for the years ended March 31, 1977 and 1978 that would result in additional income taxes of approximately \$42,000. The Company intends to litigate the findings of the Internal Revenue Service in the United States District Court or in the Court of Claims. Management is of the opinion that the ultimate outcome will be favorable to the Company, and accordingly no provision has been made for additional income taxes.

6. COMMON STOCK

Under terms of the Company's 1972 Qualified Stock Option Plan and the 1978 Non-Qualified Stock Option Plan, 91,462 and 33,750 shares of common stock were reserved at March 31, 1981 for issuance upon exercise of options granted, or available for future grants to certain executives, key employees and directors. The qualified plan provides for the granting of options at prices not less than the fair market value at the date of the grant. The options under the qualified plan are generally exercisable cumulatively to the extent of Twenty Five percent each year beginning one year after the date of the grant. Under the provisions of the non-qualified plan, a committee of the Board of Directors determines the option price and the dates exercisable. All of the options under both plans expire five years from the date of the grant.

The following tables summarize the status of options at March 31, 1981, and option transactions for the two years then ending:

Status as of March 31, 1981

	Number of shares	
	Qualified Plan	Non-qualified Plan
Presently exercisable	16,500	—
Exercisable in future years	—	16,500
Total outstanding	16,500	16,500
Available for future grants	74,962	17,250
Shares of common stock reserved	91,462	33,750
Outstanding options		
Number of holders	8	2
Average price per share	\$1.56	\$4.89
Expiration dates	December 21, 1983 to March 10, 1985	November 10, 1985

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UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

6. COMMON STOCK (Continued)

Transactions for the Two Years Ended March 31, 1981

	Qualified Plan			Non-qualified Plan		
	Number of shares	Per share option price	Total option price	Number of shares	Per share option price	Total option price
Outstanding March 31, 1979	27,725	\$2.00 to \$10.09	\$82,607	5,000	\$3.00	\$15,000
Granted	14,000	\$3.00 to \$3.82	36,320	—	—	—
Cancelled	(330)	\$7.29	(2,407)	(2,500)	\$3.00	(7,500)
Outstanding March 31, 1980	41,395	\$2.00 to \$10.09	116,520	2,500	\$3.00	7,500
Granted	—	—	—	11,000	\$8.38 to \$8.50	80,750
Exercised	(13,000)	\$2.00 to \$2.75	(27,625)	(2,500)	\$3.00	(7,500)
Cancelled	(17,395)	\$2.00 to \$10.09	(63,140)	—	—	—
Stock split (Note 12)	5,500	—	—	5,500	—	—
Outstanding March 31, 1981	16,500	\$1.33 to \$1.75	\$25,755	16,500	\$4.25 to \$5.67	\$80,750

For the year ended March 31, 1981, increases in capital stock and additional paid in capital were attributable to stock issued pursuant to the stock-option plans as follows:

Capital stock	\$ 155
Additional paid-in capital: Options exercised	\$34,970
Corporate income tax benefit arising from exercise of stock options	22,190
	\$58,160

19

County Office of Planning and Zoning, Katz, Schwartz, Anthony P. Palaigos and Christopher Nicholsor representing the Petitioner.

B. LEGAL STANDARD FOR VARIANCE

The Petitioner's request for a reduction in the sideyard requirement from thirty feet (30') to zero feet (0') is defined as an area variance, and not a use variance. Loyola Loan Association v. Bushman, 227 Md. 243 (1961). The Courts have consistently in such instances held that the burden of proof required of the applicant depends upon whether the request is for a use variance or an area variance. The standard to be considered in a request for a use variance is "hardship." The standard to be considered in a request for an area variance is "practical difficulty." Anderson v. Board of Appeals, 22 Md. App. 28 (1974). The Petitioner seeks an area variance.

The Court of Appeals, in the case of McLean v. Foley, 270 Md. 208 (1971), specifically held that Section 307 of the Baltimore County Zoning Regulations (the applicable section controlling this Petition), requires that the applicant for an area variance need only satisfy the "practical difficulty" standard of proof and not the more difficult "unreasonable hardship" standard. The Court of Appeals in the McLean case, identified the following three criteria for determining whether "practical difficulty" has been established:

- Whether compliance with the strict letter of the restrictions governing area, set backs, frontage, height, bulk or density would unreasonably prevent the owner from using the property for a permitted purpose or would render conformity with such restrictions unnecessarily burdensome.
- Whether a grant of the variance applied for would do substantial justice to the applicant as well as to other property owners in the district, or whether a lesser relaxation than that applied for would give substantial relief to the owner of the property involved and be more consistent with justice to other property owners.
- Whether relief can be granted in such fashion that the spirit of the ordinance will be observed and public safety and welfare secured.

C. ARGUMENT

The Petitioner, having established and satisfied the "practical difficulty" standard for an area variance, should be granted the variance as requested.

1. Criteria No. 1

Katz testified that the Petitioner is currently experiencing rapid growth in the research, development, manufacture, production and sale of highly sophisticated electronic equipment. Crowded manufacturing lines and storage facilities were clearly evident from the

-3-

-4-

inspection. In order to accommodate continuing business needs, Petitioner has developed an overall physical expansion plan, of which this petition is an integral part.

Sustained business growth requires that the eastern portion of the existing facility be expanded by approximately 10,000 square feet to accommodate two new manufacturing lines. The variance is required to accommodate the expansion, as the proposed expansion will have dimensions of approximately 50' by 200'.

If the request is granted, the Petitioner intends to expand the western portion of the existing facility to provide much needed space for storage, as well as for receiving and shipping product. Katz testified that the expansion to the east (the subject of this Petition) could not be accomplished without expansion to the west, and vice versa.

The eastern expansion will cause the loss of approximately 25 parking spaces. However, the westward expansion, the first step having been the Petitioner's purchase of the 1.5 acre parcel identified in Exhibit 3, will accommodate the 25 parking spaces while adding 187 new parking spaces.

The exterior wall of the eastern expansion is planned for the present boundary line parallel to New Plant Court. The new construction will consist of a two story structure with an aesthetically pleasing exterior facade. The shipping docks on the eastern wall of the existing facility no longer will be used. The present landscaping

-5-

will not be altered. The eastward expansion will create approximately 100 new jobs and substantially increase the tax base of the Petitioner's property.

The westward expansion, in addition to providing for 212 new on-site parking spaces, will permit all shipping and receiving to be conducted in the southern or rear portion of the western expansion of the Petitioner's facility.

Katz further testified that the physical layout of the existing facility will not allow for rearrangement of the manufacturing lines.

Katz also testified the existing sideyard requirement for the eastward expansion is unnecessarily burdensome to the Petitioner's use of the Property. Expansion to the east for manufacturing use is essential as it would be inefficient and uneconomical to construct, equip and operate the eastward addition if the dimensions of the proposed addition were only 20' x 200', as required under existing regulations. Without the overall expansion of the facility, to the east and to the west, the Petitioner probably would have to move to a more suitable location.

Schwartz testified that compliance with the sideyard requirement for the eastward expansion would prove unnecessarily burdensome to the Petitioner's use of the Property. Schwartz testified, and the inspection of the facility corroborated that the flow of the work within the facility mandates that the manufacturing lines be expanded

-6-

to the east and not to the west. Industry standards for assembly and manufacturing lines similar to the Petitioner's, as an optimum, require a width of twenty-five feet (25') per line. To install the two new manufacturing lines and, at the same time, not disrupt the existing flow of work, requires an additional fifty feet (50') to the east of the existing facility. No other alternative exists to accommodate the Petitioner.

The proposed expansions to the east and to the west of the existing facility will afford the Petitioner a more centralized and efficient operation, while affording to its employees a safer and more conducive place to work. Compliance with the existing sideyard requirements for the eastward expansion is unduly burdensome.

2. Criteria No. 2

The granting of the requested variance will permit substantial justice for the Petitioner by allowing it to remain in Baltimore County, to expand its facility and to create new jobs in Baltimore County. Schwartz testified that the optimum industry standard width for a manufacturing line is twenty-five feet (25') per line. There has not been any testimony presented or comments offered in opposition to the petition other than from the Office of Planning and Zoning concerning the loss of 25 parking spaces and a letter from American Bottling which had not been seen by the Petitioner or its counsel prior to the hearing of July 30, 1981. With respect to the loss of

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the 25 parking spaces, testimony indicated that 212 spaces will be available on the western side of the complex. Furthermore, the alleged criticism of American Bottling is incorrect as the requested variance is for the expansion to the east and not to the west bordering the American Bottling property.

Katz and Schwartz both testified that the exterior facade of the proposed eastward expansion will be aesthetically more pleasing and of better quality than the existing facility, thereby enhancing the appearance of the entire corner. The height of the proposed addition will conform to the height of the existing facility. There will not be any obstruction of light or air to the adjoining property owners if the variance is granted.

As an alternative to the variance requested, Schwartz stated that substantial relief from the existing sideyard requirements could be afforded the Petitioner if the requested variance of zero feet (0') was relaxed to five feet (5') thereby resulting in exterior dimensions of the proposed addition to the east being 45' x 100'. The compromise to the variance request would provide the Petitioner with space for two new manufacturing lines with a width of 22 feet per line, still meeting the minimum industry standards. However, any further reduction in the width of the proposed addition to the east would render the expansion impossible and probably cause the Petitioner to seek another location outside the County.

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UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. COMMITMENTS

On April 13, 1981 the Company agreed to purchase land adjacent to its present facility and made a deposit of \$33,600 against a total price of \$123,600. The agreement is subject to certain contingencies. In addition, the Company has an option to acquire a building and related land for a total price of \$695,000. The Company expects to exercise that option during the fiscal year beginning April 1, 1981.

The Company has employment agreements expiring March 30, 1986 with three of its officers. The fixed aggregate annual remuneration under these agreements totals \$305,000. In addition, the agreements provide incentive compensation to two officers based on the Company's achievement of certain levels of earnings.

8. LITIGATION

A labor union filed complaints in 1978 and 1979 with the United States National Labor Relations Board and a suit in the United States District Court alleging that the Company engaged in certain unfair labor practices in connection with the closing of certain facilities and the transfer of work to a non-union facility. The National Labor Relations Board found the Company in violation of certain provisions of the National Labor Relations Act, the remedy for which would have included back-pay awards to former employees. The Company appealed the decision to the United States Court of Appeals and that court rendered a decision on May 12, 1981 that the Company was not liable for back-pay awards.

9. PROVISION FOR ESTIMATED LOSSES ON DISPOSAL OF ASSETS IN 1979

During the year ended March 31, 1979, management made a decision to discontinue the manufacture of smoke detectors, resulting in a provision for estimated losses on disposal of related inventory, equipment and other assets in the amount of \$875,965.

10. RESEARCH AND DEVELOPMENT

Research and development costs amounted to approximately \$160,000, \$255,000 and \$272,000 for the years ended March 31, 1981, 1980 and 1979, respectively.

11. BUSINESS

The Company is a manufacturer and wholesaler of a variety of products, principally of security and telecommunications devices and systems, for use in homes, businesses and vehicles. Approximately 38%, 32% and 33% of the Company's total sales were to a single customer in 1981, 1980 and 1979, respectively.

12. SUBSEQUENT EVENT

On June 10, 1981 the Board of Directors authorized a three-for-two stock split in the form of a fifty percent stock dividend to be distributed on July 9, 1981 to shareholders of record as of June 25, 1981. The financial statements at March 31, 1981 were adjusted to give retroactive effect to 796,328 additional shares of common stock and the transfer of \$7,964, from additional paid-in capital to the common stock account. The earnings per share and dividends per share data and the information in Note 6 have been adjusted to give retroactive effect to the stock split.

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UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

ACCOUNTANTS' REPORT

Main Hurdmar & Cranstoun certified public accountants

The Board of Directors and Shareholders
Universal Security Instruments, Inc.

We have examined the consolidated balance sheet of Universal Security Instruments, Inc. and subsidiaries as of March 31, 1981 and 1980, and the related consolidated statements of operations, shareholders' equity, and changes in financial position for the years ended March 31, 1981, 1980 and 1979. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of Universal Security Instruments, Inc. and subsidiaries at March 31, 1981 and 1980, and the results of their operations and the changes in their financial position for the years ended March 31, 1981, 1980 and 1979, in conformity with generally accepted accounting principles applied on a consistent basis.

Main Hurdmar & Cranstoun

Baltimore, Maryland
May 15, 1981
(Except as to Note 12 which is as of June 10, 1981)

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3. Criteria No. 3

The granting of the variance will not result in any substantial injury to the public health, welfare and safety of County persons nor will such be compromised in any manner or fashion. The testimony presented indicated that public health, welfare and safety will be improved by the proposed expansions.

First, Katz and Schwartz both testified that the exterior facade of the proposed addition to the east will be of better quality and aesthetically more attractive than the facade of the existing facility and will be constructed in compliance with the covenants of the Painters Mill Industrial Park. The corner of New Plant Court and Dolfield Road, to the front of the proposed expansion, will remain landscaped as it currently exists and subsequently will be improved with the planting of shrubbery and dogwood trees. The overall appearance and beauty of the facility and corner will be enhanced as a result of the expansion.

Second, as a result of the overall plant expansion, the receiving and shipping department will be moved from the area of New Plant Court to the western side of the building thereby reducing truck traffic on New Plant Court.

Third, employee parking will be centrally located to the west of Petitioner's facility, with ingress and egress from Dolfield Road. Parking by company employees on Dolfield Road and New Plant Court will be eliminated. The proposed eastern expansion will not obstruct the

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view of motorists entering into, or exiting from, the Petitioner's facility onto New Plant Court.

Finally, the variance will allow the proposed expansion to both the east and west of Petitioner's facility and will improve the public health and safety of not only the public, but also the employees of the Petitioner by affording the more than 450 employees a safer facility in which to work. The August 3, 1981 tour revealed the crowded working conditions currently being experienced by the Petitioner in both manufacturing and warehousing. The grant of the variance is the key to the overall expansion of Petitioner's facility at the present location. The overall expansion and substantial increase in employment will compliment and improve the public safety and welfare of the citizens, thereby representing the spirit of the zoning ordinance.

CONCLUSION

The Petitioner, having established that a practical difficulty exists for the reasons stated above, and as presented in the form of testimony and exhibits at the hearings of July 30 and August 3, 1981, is entitled to the granting of the sideyard variance as requested.

Respectfully submitted,

Bernard S. Denick
Bernard S. Denick

-10-

Anthony P. Palaigos
Anthony P. Palaigos
Blum, Yunkas, Mailman & Gutman, P.A.
10 Light Street
Suite 2900
Baltimore, Maryland 21202
539-4151

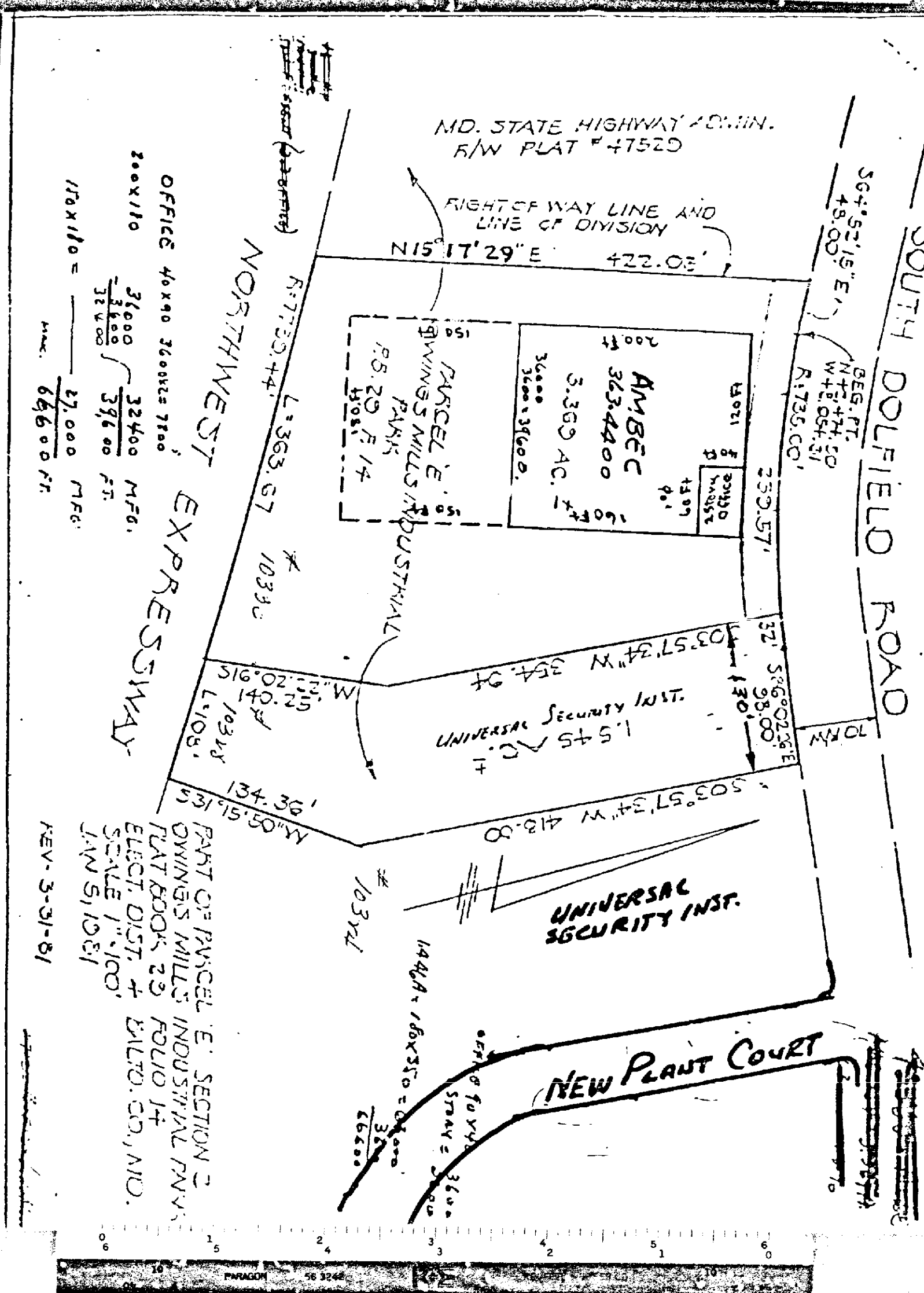
Attorneys for Petitioner

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 10th day of August, 1981, a copy of the foregoing Memorandum of Facts and Legal Argument in Support of Petitioner's Request for Zoning Variance was mailed by first class mail, postage prepaid to John W. Hessian, III, Esquire, People's Counsel for Baltimore County, Room 223, Court House, Towson, Maryland 21204.

Anthony P. Palaigos
Anthony P. Palaigos

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

FISCAL YEARS 1980-1981

Sales — For fiscal 1981, sales increased by \$5,708,588 (73%) above the prior year. Sales of sirens, bells, electronic and mechanical alarms and accessories increased by approximately \$2,811,550 in 1981. Sales of telecommunications products and ultrasonic alarms increased by \$3,578,241 in 1981. Sales of all other products accounted for 3.66% of total sales for the year.

Net Profit — During fiscal 1981 the Company earned a net profit of \$664,074, compared to last year's net loss of \$267,358. The increase in net profits was primarily the result of increased sales in all product categories. Certain products have yielded profit margins which were greater than those obtained from other products in prior fiscal years.

Gross Profit Margins — Gross profit margins as a percent of sales were 19.1% and 28.7% for the fiscal years 1980 and 1981 respectively. The increase in the 1981 gross profit margin above that in 1980 resulted primarily from the development and sale of electronic products having greater profitability in 1981 than in 1980.

Expenses — Selling and general and administrative expenses increased by \$508,528 (23%) as compared to fiscal 1980. This increase was due principally to expansion of the Company's sales, marketing, advertising, data processing and financial department activities associated with the effort to support the Company's increased sales volume. Interest expense increased to \$72,098 from the \$57,726 of fiscal 1980 primarily due to partial utilization of the Company's lines of bank credit in 1981 for general corporate purposes.

Interest Income — Interest income for 1981 was \$32,986 compared to \$173,247 in 1980. The reduction in interest income is primarily the result of the increased utilization of cash and short term investments in 1981 to finance the increase in inventories and accounts receivable resulting from the growth in 1981 sales volume. The decline in interest income resulted from a decrease in investment. The ranges of interest rates earned on investment were 5.25% to 14.63% and 5.0% to 15.2% for fiscal years 1981 and 1980, respectively.

FISCAL YEARS 1979-1980

Sales — For fiscal 1980, sales increased by approximately \$1,413,000 (22%) above the prior year. Sales of smoke detectors decreased from approximately \$750,000 in 1979 to zero in 1980. Sales of sirens, bells, electronic and mechanical alarms and accessories increased by approximately \$309,000 in 1980 while sales of other products decreased by \$99,000. Although sales of telephone and ultrasonic alarms began late in the year, such products accounted for \$1,355,000 or 17% of fiscal 1980 sales.

Net loss — During fiscal 1980, net loss decreased by approximately \$827,000 to \$267,000. Provision for a non-recurring after tax benefit of \$506,124, which represented estimated losses on the disposal of assets related to discontinued products and settlement of litigation involving materials purchased for smoke detectors, were included in the net loss for fiscal year 1979.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Continued)

Gross profit margins — Gross profit margins as a percent of sales were 5.5% and 19.1%, respectively, for the fiscal years 1979 and 1980. The increase in the 1980 gross profit margin above that of 1979 resulted primarily from the withdrawal from the smoke detector market and the sale of new products with higher profit margins.

Expenses — Selling and general and administrative expenses increased by approximately \$510,000 (30%) during fiscal 1980 as compared to fiscal 1979. This increase was due primarily to expansion of the Company's sales, advertising and marketing departments in anticipation of higher sales volumes and start-up costs associated with the development of new products. The income tax benefit generated by the loss in fiscal 1980 was \$291,435 with an effective rate of 52.2% as compared with \$1,100,937 with an effective benefit of 50.1% for fiscal 1979.

Interest income — The 5% decline in interest income resulted from a decrease in the amount of investment. The ranges of interest rates on investment were 5.0% to 15.2% and 5.0% to 11.3% for fiscal years 1980 and 1979, respectively.

FISCAL YEARS 1978-1979

Sales — For fiscal 1979, sales decreased by approximately \$5,500,000 (46%) below the prior year. Decreased sales resulted primarily from the discontinuance of the sale and manufacture of smoke detectors. This resulted from intense competition in the smoke detector market which placed significant pressures on profit margins making it unprofitable to continue their manufacture. Sales of smoke detectors in fiscal 1979 aggregated approximately \$745,000, or 11.6% of total sales, compared with approximately \$7,500,000, or 62.7% of total sales for fiscal 1978. During fiscal 1979, the Company did not produce any new products to replace the sales volume lost by its withdrawal from the smoke detector market.

Net income — During fiscal 1979, net income decreased by approximately \$1,700,000 (277%) to produce a net loss of \$1,094,736. Net losses were caused primarily by the substantial decrease in volume of sales of the Company's products. Fixed costs were at levels in contemplation of high production volume, particularly for smoke detectors, the manufacture of which was discontinued during the year. Results for the year included non-recurring after tax provisions of \$506,124 (21¢ per share) for estimated losses on disposal of assets related to discontinued products and settlement of litigation involving materials purchased for smoke detectors.

Expenses — Selling and general and administrative expenses decreased approximately \$97,000 (5%) below that of 1978 primarily as a result of decreased sales. The significant decline in income before income taxes produced a \$1,100,937 income tax benefit in fiscal 1979 with an effective rate of 50.1% compared with a \$463,499 income tax provision in fiscal 1978 which yielded an effective tax rate of 42.8%. The fiscal 1978 taxes were reduced by a \$100,000 jobs tax credit for which the Company did not qualify in fiscal 1979. The fiscal 1979 tax benefit was reduced by an investment tax credit recapture of approximately \$20,000.

Gross profit margins — Gross profit margins as a percent of sales were 23.4% and 5.5%, respectively, for the two fiscal years ended March 31, 1978 and 1979. The decrease in the 1979 gross profit margin below that of 1978 resulted primarily from the sales of smoke detectors at sharply reduced prices in order to avoid larger losses at a later date.

Interest income — The 91% increase in interest income in fiscal year 1979 over fiscal 1978 resulted from the availability to the Company of larger amounts of investment capital at higher interest rates. The ranges of interest rates were 5.0% to 11.3% and 4.3% to 6.5% for fiscal years 1979 and 1978, respectively.

Bernard S. Denick, Esquire
Suite 2900
10 Light Street
Baltimore, Md. 21202

BALTIMORE COUNTY OFFICE OF PLANNING & ZONING

County Office Building
111 W. Chesapeake Avenue
Towson, Maryland 21204

Your Petition has been received and accepted for filing this 2nd day
of June, 1981.

William E. Hammond
WILLIAM E. HAMMOND
Zoning Commissioner

Petitioner Universal Security Instruments, Inc.

Petitioner's Attorney Bernard S. Denick, Esq.

Reviewed by *Nicholas B. Commodari*
Nicholas B. Commodari
Chairman, Zoning Plans
Advisory Committee

PETITION MAPPING PROGRESS SHEET

FUNCTION	Wall Map		Original		Duplicate		Tracing		200 Sheet	
	date	by	date	by	date	by	date	by	date	by
Descriptions checked and outline plotted on map										
Petitioner number added to outline										
Denied										
Granted by ZC, BA, CC, CA										
Reviewed by: <u>DI</u>	Revised Plans: Change in outline or description <u>Yes</u> <u>No</u>									
Previous case: <u>81-109A</u> <u>71-2249</u>	Map # <u>71-2249</u>									

CERTIFICATE OF POSTING
ZONING DEPARTMENT OF BALTIMORE COUNTY

Towson, Maryland

District 4th Date of Posting July 12, 1981

Posted for: VARIANCE

Petitioner: UNIVERSAL SECURITY INSTRUMENTS, INC.

Location of property: S.W. COR. OF SOUTH DORFIELD ROAD & NEW PLANT COURT

Location of Signs: S.W. COR. OF SOUTH DORFIELD ROAD & NEW PLANT COURT

Remarks:

Posted by *A. J. Douthett* Date of return: July 12, 1981

Number of Signs: 1

CERTIFICATE OF POSTING

ZONING DEPARTMENT OF BALTIMORE COUNTY

Towson, Maryland

District 4th Date of Posting 7-28-81

Posted for: APPEAL

Petitioner: UNIVERSAL SECURITY INSTRUMENTS, INC.

Location of property: S.W. COR. OF S. DORFIELD RD. AND NEW PLANT CT.

Location of Signs: S.W. CORNER OF DORFIELD RD. AND NEW PLANT CT.

Remarks:

Posted by *A. J. Douthett* Date of return: 10-2-81

Number of Signs: 1

BALTIMORE COUNTY OFFICE OF PLANNING & ZONING

County Office Building
111 W. Chesapeake Avenue
Towson, Maryland 21204

Your Petition has been received this 12th day of July, 1981.

Filing Fee \$ 25.00 Received: ☒ Check
☐ Cash
☐ Other

BALTIMORE COUNTY, MARYLAND
OFFICE OF FINANCE - REVENUE DIVISION
MISCELLANEOUS CASH RECEIPT

No. 096999

DATE 6/30/81 ACCOUNT 01-662

AMOUNT \$25.00

RECEIVED FROM Bernard S. Denick

FOR Filing Fee for Case #82-28-A

1

25.00

VALIDATION OR SIGNATURE OF CASHIER



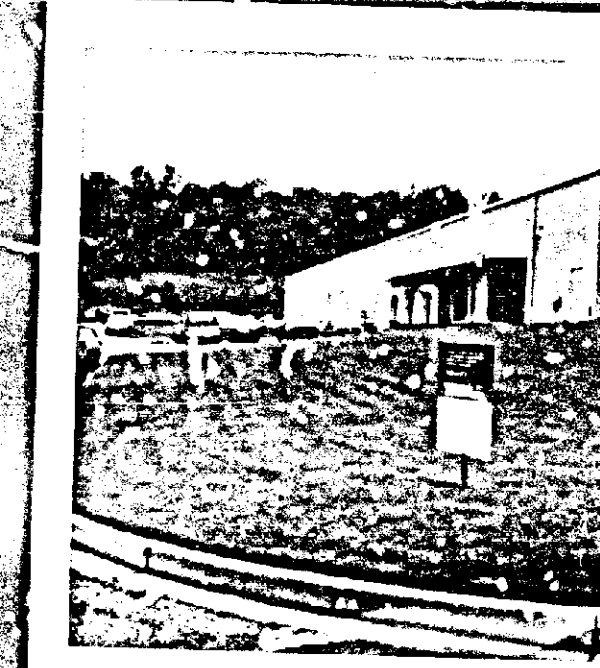
South of Plant



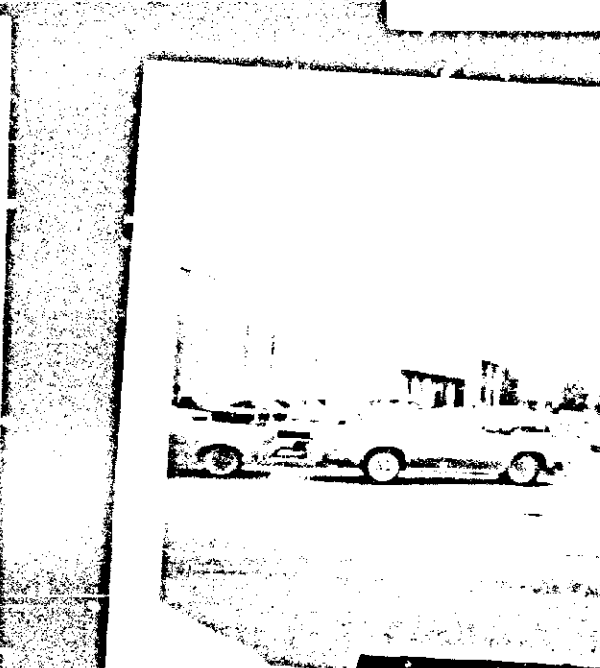
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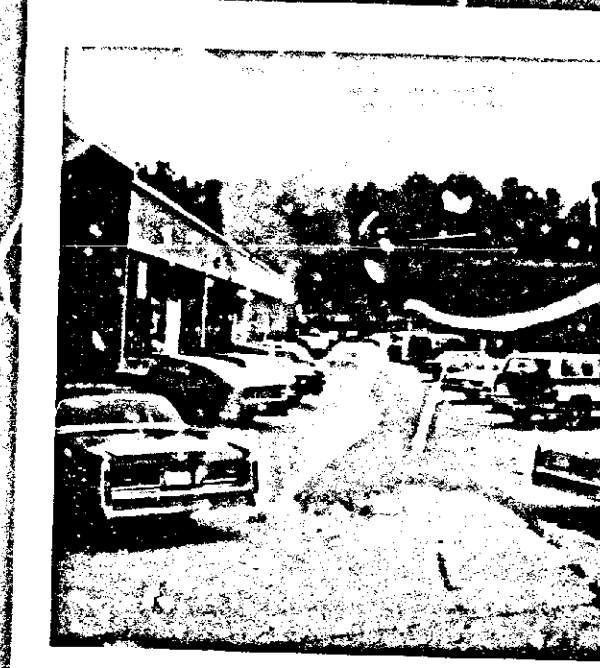
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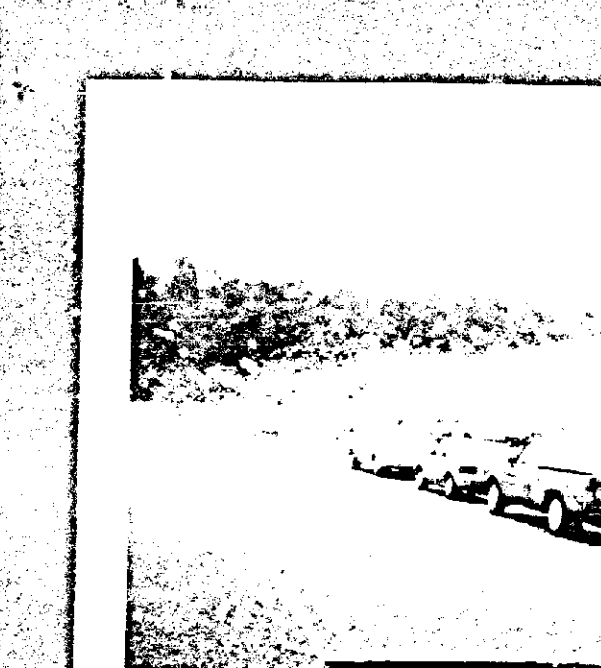
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South of Plant

14-269
82-M-64

IN THE MATTER OF THE
PETITION OF UNIVERSAL
SECURITY INSTRUMENTS, INC.
FOR VARIANCE OF SIDEYARD
REQUIREMENT.

UNIVERSAL SECURITY INSTRUMENTS, INC.
10324 SOUTH DOLFIELD ROAD
OWINGS MILLS, MARYLAND 21117

APPELLANT/PETITIONER

IN THE CIRCUIT COURT
FOR BALTIMORE COUNTY

CASE NO. :
DOCKET NO.:

AN AFFIDAVIT FROM THE
DECISION OF THE COUNTY
BOARD OF APPEALS OF
BALTIMORE COUNTY,
CASE NO: 82-28-A

ORDER FOR APPEAL BY UNIVERSAL
INSTRUMENTS, INC., APPELLANT/PETITIONER

MR. CLERK:

Please enter and order an appeal on behalf of the Appellant/
Petitioner, Universal Security Instruments, Inc., by its attorneys,
Bernard S. Denick, Anthony P. Palaigos and Blum, Yumkas, Mailman
and Gutman, P.A., pursuant to Maryland Rules of Procedure B2(a)
and B4, from the Order of the County Board of Appeals of Baltimore
County, passed in the above-captioned case on February 24, 1982.

Bernard S. Denick
Bernard S. Denick

Anthony P. Palaigos
Anthony P. Palaigos
Blum, Yumkas, Mailman & Gutman, PA
1800 Munsey Building
7 North Calvert Street
Baltimore, Maryland 21202
539-4151
Attorneys for Appellant/Petitioner

CERTIFICATE OF COMPLIANCE

I HEREBY CERTIFY, that pursuant to and in accordance with Rule
B2c of the Maryland Rules of Procedure, a copy of the above Order
for Appeal was hand-delivered to the County Board of Appeals of
Baltimore County, Room 219, Court House, Towson, Maryland 21204 on
the 16th day of March, 1982.

Anthony P. Palaigos
Anthony P. Palaigos

Universal Security Instruments, Inc.
Case No. 82-28-A

which is also available for expansion to the west, prior to the acquisition of the 1-1/2 acres,
was clearly not sufficient to see a reasonable expansion of the property by the Petitioner
and still meet its obligations to the surrounding Industrial Park for off-street parking for its
employees. Mr. Schwartz, the Petitioner's Director of Manufacturing, testified that the
Petitioner planned to expand its manufacturing facilities to the west, even though the
Petitioner's bathroom and cafeteria were located on that side of the building, as phase two
after the proposed easterly expansion. It's further clear to the Board that USI electronic
assemblies can readily be manufactured in any direction since the Petitioner plans exactly
such an expansion to the west. The question before this Board then becomes given the clear
feasibility of expanding to the west, and having an additional 1-1/2 acres available
further west yet to solve the parking problem, is it reasonable to ask the other property
owners of the Industrial Park to suffer the consequences of breaking the setback restriction.
The Board believes that the only practical difficulty suffered by the Petitioner with this
denial will be a restructuring of its expansion plans so that a later expansion to the west
would be accomplished at an earlier date. The Board recognizes that plans and original
request for variance were drawn by the company in good faith based on its existing land
holdings in the area.

Based on this analysis, the Board finds that the Petitioner has failed
to pass the test outlined in McLean vs. Soley, supra, in that the maintenance of these
setbacks would not unreasonably prevent the owner from using the property for the purpose
nor render the restrictions unnecessarily burdensome. The Board notes that the McLean
case requires us to look to the surrounding neighborhood as well as to the property, to
weigh the hardships involved for all parties. The very strong opposition by the presidents
of two neighboring industrial concerns also weighs against the Petitioner's request,
particularly with the prospect that this case would set a precedent for such setback
variance in the park, which could significantly alter the attractiveness of this fine
Industrial Park for future as well as present owners.

RE: PETITION FOR VARIANCE
SW corner of S. Dolfield Rd.
and New Plant Ct.
4th District

BEFORE
COUNTY BOARD OF APPEALS
OF
BALTIMORE COUNTY
No. 82-28-A

OPINION

This case comes to the Board of Appeals on appeal by Frederick E.
Fauth, Protestant and President of American Bottlers Equipment Co., Inc., to reverse a
variance permitted by the Deputy Zoning Commissioner to permit a side yard setback of
5' instead of the required 30'. The property is zoned Industrial. The Protestants and his
witnesses own property in the Owings Mills Industrial Park as does the Petitioner. They
oppose the proposal to build a substantial expansion of Universal Security Instrument plant
to the east toward New Plant Court which would require the setback mentioned above.

Mr. Fauth is president of an industrial company which manufactures
machinery for making bottles and is located across the street from the Petitioner's property.
Mr. Fauth testified that there are no other variances for setbacks in the entire Owings
Mills Industrial Park. This is confirmed by all other witnesses as well. Mr. Fauth related
that before purchasing any property within the Owings Mills Park each proposed land owner
knew of not only the county requirements for a 30' setback, but also for the developers'
individual requirements for the setback. He believes that to allow the variance would set
off a chain reaction of variances within the park which would violate the initial agreement
with the park developer as well as lessen the value of his own property. He was supported
in his contention by William Bergermeister, President of Bergermeister & Bell Plumbing and
Heating, also an industrial neighbor close to the Petitioner's property. Both Protestants
stated that they had no objection to a new USI building or addition, but complained that
the addition could be and should be built in another direction. Mr. Fauth particularly
denied that there was any practical difficulty or hardship shown by the Petitioner in locating
his plant in another direction, since vacant property was available to the Petitioner and

Universal Security Instruments, Inc.
Case No. 82-28-A

The Board further is concerned that to grant such a variance would
by necessity mean building a building within 5' of a well used roadway and that vehicular
traffic coming from the south end of the building might have difficulty safely exiting the
property onto the street because of the limited sight distance caused by the building.

The Board is quite reluctant to restrict industrial expansion in
Baltimore County if it can reasonably accommodate it within its zoning laws and regulations.
The Board recognizes USI's growth and contribution to the industrial development of the
County, particularly in the Owings Mills Park area. However, when confronted with
Protestants who the Board would normally expect to strenuously favor such variances,
because presumably it would be in their future economic interest to set such a precedent,
the Board gives due weight to their opinion that such a variance would detrimentally
affect the quality and the future attractiveness of the Industrial Park. It does so by
denying this Petitioner the variance requested.

ORDER

For the reasons set forth in the foregoing Opinion, it is this 24th
day of February, 1982, by the County Board of Appeals, ORDERED that the variance
from Sec. 255.1 (238.2) to permit a sideyard setback of zero feet (0') rather than the
required thirty feet (30') petitioned for, be and the same is hereby DENIED.

Any appeal from this decision must be in accordance with Rules B-1
thru B-12 of the Maryland Rules of Procedure.

COUNTY BOARD OF APPEALS
OF BALTIMORE COUNTY

John V. Murphy
John V. Murphy, Acting Chairman

Keith S. Franz

Patricia Phipps
Patricia Phipps

Universal Security Instruments, Inc.
Case No. 82-28-A

because the Petitioner's business was that of manufacturing small electronic assemblies,
which need little, if any, in place equipment. Rather, all that is needed for the manu-
facture of these products is simple movable equipment such as a work bench and electrical
outlets, and these facilities could easily be relocated and redesigned to take the expansion
in a different direction than that requiring a variance.

The Petitioner noted at the outset that as part of the hearing process
with the Deputy Zoning Commissioner they had revised the requested variance from 0' to
5' by slightly shrinking the size of the proposed expansion. The expansion of the plant
would allow for the addition of two more manufacturing assembly lines of electronic equip-
ment and would be compatible with their existing interior design of the building. Mr.
Stanley W. Katz outlined the new additions that USI has made in the Owings Mills area
within recent years, and particularly, the Board notes the addition of a 1-1/2 acre parcel
recently acquired by USI in the opposite direction from the requested variance, which had not
been purchased at the time that the Deputy Zoning Commissioner made her ruling granting
the variance. This 1-1/2 acres was intended to relieve the congestion created by the
employees by on-street parking in the Industrial Park area and certainly appeared by all
parties to be a welcome addition to the company's plans. The primary basis of the
Petitioner's request for a variance and showing of hardship and practical difficulty lies with
the testimony of Mr. Al Schwartz, Director of Manufacturing, who testified that the
expansion to the east side of the plant, which required the variance, was the only logical
direction in which an expansion of his manufacturing facility could take place. He noted
that the west wall supported a second floor and could not be removed with nearly the
facility that the east wall could be removed to allow a larger yet fully connected manu-
facturing plant. The west side now contains the company's cafeteria, bathrooms, and
above it, offices, and Mr. Schwartz testified that to expand in this direction would
interrupt the flow of the plant, a much more serious matter than an expansion toward the east.

RE: PETITION FOR VARIANCE
SW corner of South Dolfield Rd.
and New Plant Ct., 4th District

BEFORE THE COUNTY BOARD OF APPEALS
OF BALTIMORE COUNTY

UNIVERSAL SECURITY
INSTRUMENTS, INC., Petitioner

Case No. 82-28-A

POST-HEARING MEMORANDUM

The People's Counsel for Baltimore County, upon review of the evidence presented
at the variance hearing December 15, 1981, before the Baltimore County Board of Appeals,
proposes the following findings:

I. SUMMARY

Compliance with existing setback restrictions does not unreasonably prevent
Petitioner's use of the property for industrial purposes. The proposed variance is not
consistent with the interests of other property owners in Owings Mills Industrial Park
and to the interest of the park generally. The intent of the law to preserve sufficient
separation between industrial units would not be promoted or the public safety and
welfare secured by the granting of this variance. Accordingly, it should be denied.

II. BACKGROUND

Petitioner wishes to expand its industrial plant located at the intersection of South
Dolfield Road and New Plant Court in the Owings Mills Industrial Park. The property is
zoned M.L. (Manufacturing, Light), and the addition, if granted, will be situated to the
east, within five feet of New Plant Court, in lieu of the thirty feet normally required by
Baltimore County Zoning Regulations Section 255.1 (238.2).

The reason given for the request is the growth in business of the Petitioner, which
was anticipated at the time that use of the existing premises commenced in 1977. Petitioner
further states that the interior design and configuration of its factory facilities make it practically
or economically more difficult to expand to the opposite side. It was admitted that if the
variance is not granted, the Petitioner would find it necessary to make a business decision
relating to any more costly addition or provision of facilities at another location.

The variance, if granted, would be the first of its nature in Owings Mills Industrial
Park, and two other occupants of the park appeared to protest the setting of such a precedent.

Universal Security Instruments, Inc.
Case No. 82-28-A

Mr. John Dillon, Planner for Baltimore County, testified for the Petitioner that he
originally opposed the expansion but that on personally viewing the facility in August, 1981,
while accompanied by the Deputy Zoning Commissioner, he noted the impracticality of
expanding to the west or to the south. He therefore testified that he now saw the practical
difficulty of the Petitioner's proposal and no real detriment to the established Industrial Park.

Post hearing memoranda were received by the Board from the People's
Counsel and by the Petitioner's attorney. The People's Counsel, after reviewing applicable
case law and the testimony of the Protestants, opted to oppose the granting of the variance,
after initially maintaining a more neutral position at the hearing. This opposition is based
on the People's Counsel's view that practical difficulty had not been demonstrated. Both
counsel agreed McLean vs. Soley, 270 Md. 208, 310 Atlantic 2d 783 (1973), set the
standard for granting of area variances applicable to this case as follows:

1. Whether compliance with the strict letter of the restrictions governing area, set backs, frontage, height, bulk or density would unreasonably prevent the owner from using the property for a permitted purpose or would render conformity with such restrictions unnecessarily burdensome.
2. Whether a grant of the variance applied for would do substantial justice to the applicant as well as to other property owners in the district, or whether a lesser relaxation than that applied for would give substantial relief to the owner of the property involved and be more consistent with justice to other property owners.
3. Whether relief can be granted in such fashion that the spirit of the ordinance will be observed and public safety and welfare secured."

The Board, after careful review of the testimony, concludes that the
Petitioner's request should be denied. This decision is based upon the Board's belief that
the Petitioner has failed in his burden of proof to demonstrate that practical difficulty or
hardship would exist on an expansion of the plant in a different direction not requiring a
variance. The key to the Board's decision is the recent acquisition of nearby 1-1/2 acres
to the west of the property which is planned to be used as a parking lot. A narrow strip,

They contend that business expansion is not such a "practical difficulty" as to warrant
exceeding normal setback requirements, and that adherence generally to setback requirements
is important to the appearance, quality, and valuation of properties in an industrial park.

County Planner John W. Dillon, in support of the variance, agreed that the interior
design problem posed a practical difficulty. He also noted the economic productivity of the
Petitioner and contribution to employment as a factor in his favorable consideration of the
project. At the same time, drawing from his considerable experience in the zoning process,
he recognized the request to be unusual (not your "average variance") and was unable to
identify any similar variance in Owings Mills or any other County industrial park.

III. STANDARDS

Because of the importance of this case, and the need to define and understand the
application of variance law generally and the "practical difficulty" standard particularly,
it is appropriate to review the case law.

The Court of Appeals most recently had occasion to analyze area variance under
Baltimore County Zoning Regulations 307 in McLean v. Soley, 270 Md. 208, 310 A.2d
783 (1973) and announced the following standard:

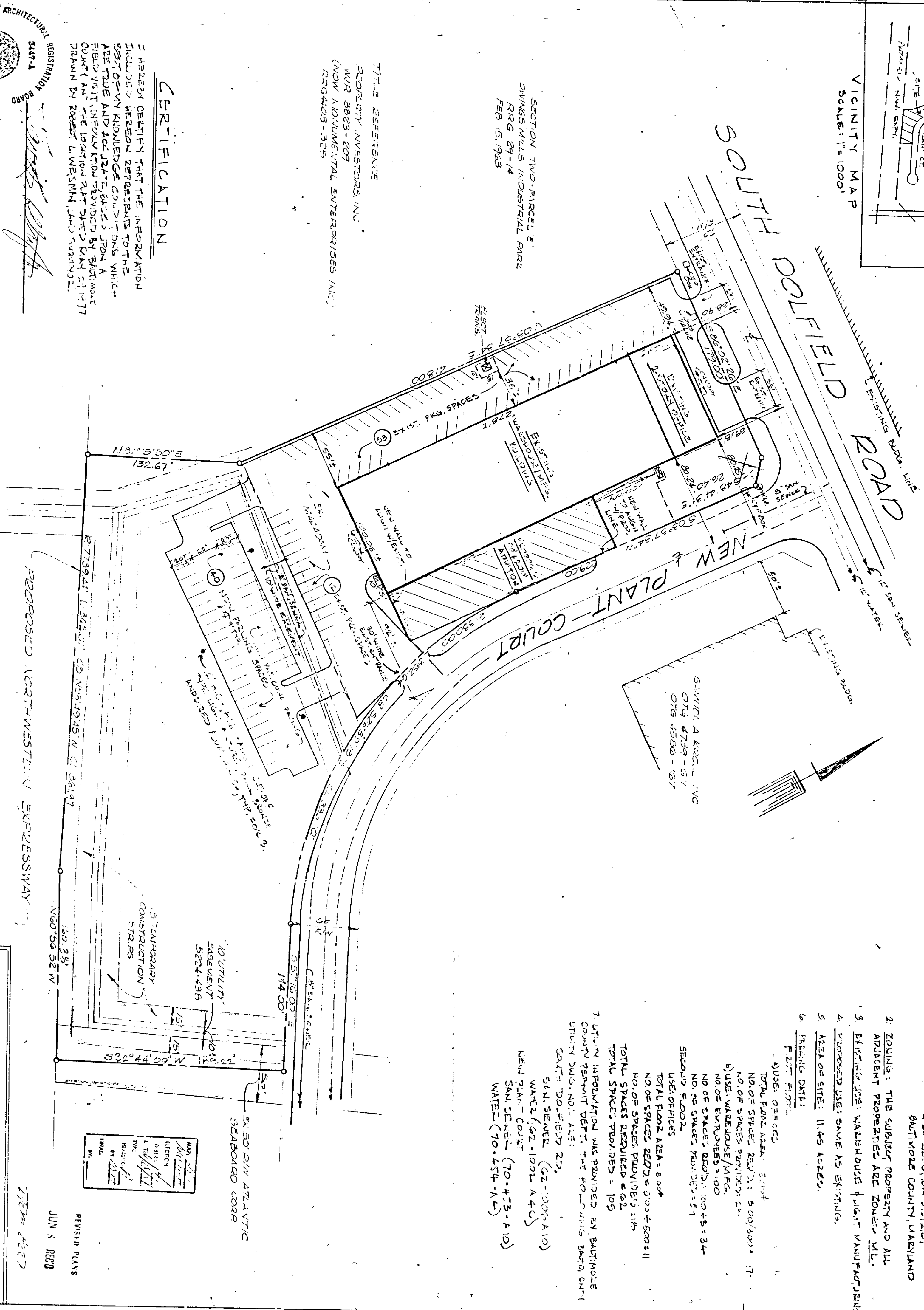
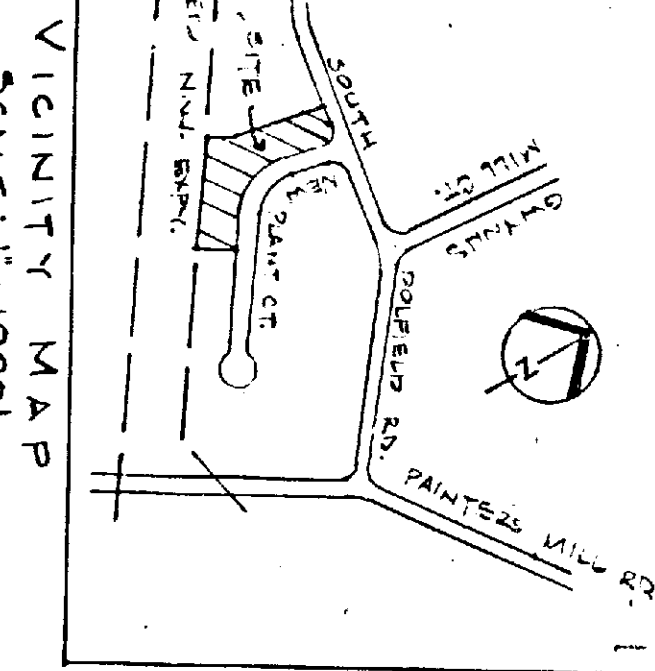
- 1) Whether compliance with the strict letter of the restrictions would unreasonably prevent use of the property for a permitted purpose;
- 2) Whether substantial justice would be done consistent with interests of other property owners in the neighborhood; and
- 3) Whether the spirit of the ordinance will be observed and the public safety and welfare secured."

This standard necessarily incorporates the reasoning and understanding developed in earlier
decisions.

In Carney v. City of Baltimore, 201 Md. 130, 93 A.2d 74 (1952),
the Court of Appeals addressed "practical difficulty" in reference to an exception from rear
yard restrictions in Baltimore City. The Carneys proposed an addition, a first-floor bedroom,
because of the condition of Mrs. Carney, who had difficulty climbing stairs. After noting that
the need for the exception must be "substantial and urgent and not merely for the convenience

DATA

1. LOCATION: 10324 DOLEFIELD RD.
SECTION TWO
OWINGS MILLS INDUSTRIAL PARK
2264 29-14 FEB. 1979
4TH ELECTION DISTRICT
Baltimore County, Maryland
2. ZONING: THE SUBJECT PROPERTY AND ALL ADJACENT PROPERTIES ARE ZONED M-1.
3. ELECTION USE: WATERHOUSE & LUGER MANUFACTURING.
4. PROPOSED USE: SAME AS EXISTING.
5. AREA OF SITE: 11.45 ACRES.
6. RECORDING DATA:
PLAN: 27-1
SUBSET: OFFICES
TOTAL FLOOR AREA: 5,104
NO. OF SPACES REQUIRED: 5,000/300 = 17
NO. OF SPACES PROVIDED: 15
TOTAL SPACES REQUIRED: 692
TOTAL SPACES PROVIDED: 105
7. UTILITY INFORMATION WAS PROVIDED BY BALTIMORE COUNTY PERMIT DEPT. THE FOLLOWING DATA WAS OBTAINED:
GAS: 10" DIA. 10' DEPT.
WATER: 10" DIA. 10' DEPT.
SEWER: 10" DIA. 10' DEPT.
STORM: 10" DIA. 10' DEPT.
ELECTRIC: 10" DIA. 10' DEPT.



CERTIFICATION
I HEREBY CERTIFY THAT THE INFORMATION INCLUDED HEREIN REPRESENTS TO THE BEST OF MY KNOWLEDGE AND BELIEF THE TRUE AND ACCURATE FACTS CONCERNING THE LOCATION AND SIZE OF THE PROPERTY AND THE LOCATION AND SIZE OF THE PROPOSED PLANT AND COURT.
DAVID E. ALBRIGHT
REGISTERED ARCHITECT #3447-A
ARCHITECTURAL
STATE OF MARYLAND

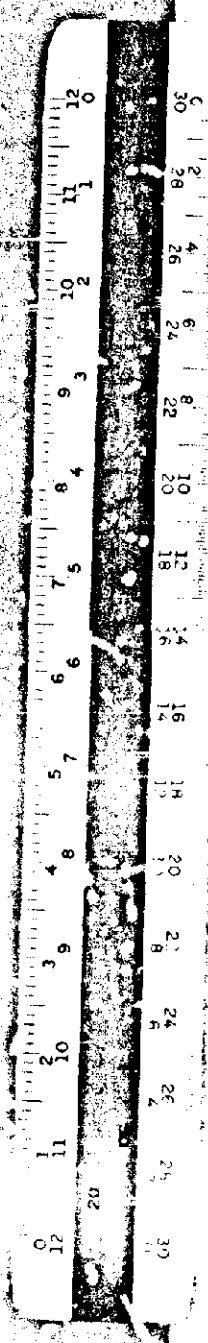
TITLE REFERENCE
PROPERTY INVESTORS, INC.
WUR 3623-209
(NOW ALIQUOTENTIAL ENTERPRISES, INC.)
306403-325

SECTION TWO, PARCEL E,
OWINGS MILLS INDUSTRIAL PARK
R.R. 29-14
FEB. 15, 1963

REVISOR BY: DE.A. (6-5-81)
REVISED BY: DE.A. (5-14-81)

LOCATION PLAT
UNIVERSAL SECURITY INSTRUMENTS, INC.
OWINGS MILLS INDUSTRIAL PARK
4TH ELECTION DISTRICT BALTO. CO. MD.
SCALE: 1"=50'
DATE: MAY 11/1981
CHECKED BY: BLW

REVISOR PLANS
JUL 8 1980
ITEM 4227



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Continued)

Interest expense — Interest expense for fiscal 1979 increased by approximately \$15,000. Interest on the capital lease was incurred for the full fiscal 1979 and only part of fiscal 1978.

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to generate cash adequate to meet its needs ("liquidity") results primarily from the sale of inventory and the collection of accounts receivable and periodic bank borrowings. The Company needs cash to support its present level of operations and sales activity and also to finance the development of new products and facilities expansion to maintain growth.

The Company's total cash and short term investments have decreased by \$1,914,129 from a total of \$2,024,171 at March 31, 1979 to \$10,050 at March 31, 1981. At the same time, the Company's combined accounts receivable and inventory level has increased by \$4,294,417 from \$2,585,111 at March 31, 1979 to \$6,879,528 at March 31, 1981.

To continue the growth trend in sales, the Company anticipates to further utilize its cash resources. On March 27, 1981, the Company entered into an unsecured revolving credit agreement with two major banks to provide an available cash resource of \$3,000,000 for general corporate purposes. The Company plans to use this resource to finance its anticipated continuing sales growth.

FINANCIAL CONDITION

One major change in the financial condition of the Company at March 31, 1981 was the increase in total shareholders' equity to \$5,882,022 from \$5,159,633 at March 31, 1979. This increase resulted from earnings and the exercise of certain stock options. The Company's total assets increased from \$10,050 at March 31, 1979 to \$10,050 at March 31, 1981. The shareholders' equity declined from \$5,159,633 at March 31, 1979 to \$5,882,022 at March 31, 1981 as a result of losses incurred primarily in relation to the Company's discontinuance of manufacturing smoke detectors.

Another change in the Company's financial condition relates to the decrease in cash and short term investments, combined with the increase in accounts receivable and inventory as discussed in the liquidity section above.

The program of sales and facilities expansion has resulted in total assets of \$6,759,870 at March 31, 1981 as compared to \$7,123,770 at March 31, 1979. The latter figure represented a decline of \$1,221,967 from total assets at March 31, 1979, primarily due to losses incurred in connection with the decline of the Company's smoke detector business.

Long-term debt and capitalized lease obligations increased to \$864,011 from \$806,620 at March 31, 1980 primarily due to the borrowing of \$200,000 under the new revolving credit agreement, offset by lease principal payments.

The effect of inflation on operations has not materially affected net financial results. Inflationary increases in the cost of labor and materials have been offset by price increases during the years 1979 through 1981.

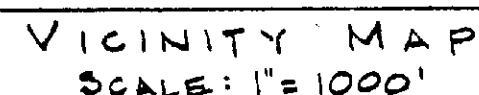
UNIVERSAL SECURITY INSTRUMENTS, INC. AND SUBSIDIARIES

MARKET PRICES & DIVIDENDS

The Common Stock of the Company is traded in the over-the-counter market. The following table sets forth the high and low quotations, (as adjusted to give effect to the three-for-two stock split in the second quarter of 1979) and the closing price of the Common Stock as reported on the National Association of Securities Dealers Automated Quotations (NASDAQ) for each of the four quarters and fiscal years ended March 31, 1981. These quotations represent prices between dealers and do not include the retail markup, markdowns, or commissions and may not represent actual transactions.

	Bid		Ask		Dividends Per Share
	High	Low	High	Low	Cash
Fiscal year ended March 31, 1981					
First Quarter (ended 6/30/80)	2 1/16	1 1/2	2 7/16	1 3/4	—
Second Quarter (ended 9/30/80)	4 1/16	1 1/16	4 1/4	1 5/16	—
Third Quarter (ended 12/31/80)	5 7/16	3 7/16	5 1/16	3 1/2	—
Fourth Quarter (ended 3/31/81)	6 7/16	4 1/16	6 7/16	4 1/4	—
Fiscal year ended March 31, 1980					
First Quarter (ended 6/30/79)	2	1 3/16	2 1/16	1 3/16	—
Second Quarter (ended 9/30/79)	1 1/16	1 3/16	2 1/16	1 3/16	—
Third Quarter (ended 12/31/79)	2 1/2	1 7/16	2 3/4	1 7/16	—
Fourth Quarter (ended 3/31/80)	2 1/16	1 3/16	2 5/16	1 1/16	—
Fiscal year ended March 31, 1979					
First Quarter (ended 6/30/78)	2 7/16	1 3/4	2 1/16	2	\$0.033
Second Quarter (ended 9/30/78)	2 1/16	1 1/2	2 3/16	1 3/4	—
Third Quarter (ended 12/31/78)	2 1/16	1	2 3/16	1 1/4	—
Fourth Quarter (ended 3/31/79)	2 1/16	1	2 3/16	1 1/4	—

*** See Note 12 to Financial Statements regarding off-act of stock split.



1. LOCATION: 10324 DOLFIELD RD.
SECTION TWO
OWINGS MILLS INDUSTRIAL PARK
RRG 29-16 FEB 18, 1963
4TH ELECTION DISTRICT
BALTIMORE COUNTY, MARYLAND

2. ZONING: THE SUBJECT PROPERTY AND ALL ADJACENT PROPERTIES ARE ZONED ML.
3. EXISTING USE: WAREHOUSE & LIGHT MANUFACTURING.
4. PROPOSED USE: SAME AS EXISTING.
5. AREA OF SITE: 11.45 ACRES.
6. PARKING DATA:

FIRST FLOOR

A) USE: OFFICES

TOTAL FLOOR AREA: 510.74

NO. OF SPACES REQ'D.: $5100/300 = 17$

NO. OF SPACES PROVIDED: 24

b) USE: WAREHOUSE/MFG.

NO. OF EMPLOYEES = 100

NO. OF SPACES REQ'D.: $100 \div 3 = 34$

NO. OF SPACES PROVIDED = 54

SECOND FLOOR

USE: OFFICES

TOTAL FLOOR AREA = 5100^{sq}

NO. OF SPACES REQ'D = $500 \div 500 = 11$

NO. OF SPACES PROVIDED : 18

TOTAL SPACES REQUIRED = 62

TOTAL SPACES PROVIDED = 105

7. UTILITY INFORMATION WAS PROVIDED BY BALTIMORE COUNTY PERMIT DEPT. THE FOLLOWING BAYD, CNTY UTILITY DWG. NO. IS:

SOUTH: 204 FIELD RD.

SAN. SEWER (62-1003A10)

WATER (62-1003-A4C)

WAGE (62-
101-714-6011)

SA [redacted] (70-453-A10)

SAN. SERGEY (70-453-1)
MATEE (70-453-1)

SECTION TWO-PARCEL E
OWINGS MILLS INDUSTRIAL PARK
RRG 29-14
FEB 15, 1963

THE RECEIPTS

PROPERTY INVESTORS INC
 1111R 3823-209
 (NON MONUMENTAL ENTERPRISE INC)
 339403-305

I HEREBY CERTIFY THAT THE INFORMATION INCLUDED HEREON REPRESENTS TO THE BEST OF MY KNOWLEDGE CONDITIONS WHICH ARE TRUE AND ACCURATE, BASED UPON A FIELD VISIT, INFORMATION PROVIDED BY BACTIMORE COUNTY AND THE LOCATION PLAT DATED MAY 29, 1977 DRAWN BY ROBERT L. WEISMAN, LAND SURVEYOR.



PROPOSED NORTHWESTERN EXPRESSWAY

Old Plant ITEM #227

LOCATION PLAT

UNIVERSAL SECURITY INSTRUMENTS INC.

OWINGS MILLS INDUSTRIAL PARK

4TH ELECTION DISTRICT BALTO. CO. MD.

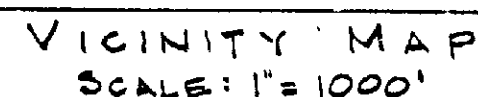
SCALE : 1" = 50'

DATE: MAY 11, 1981

REVISED BY: D.E.A. (5.11.91)

DRAWN BY: V.O.L.

CHECKED BY ZLW



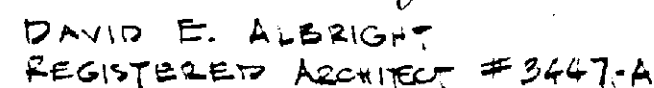
SECTION TWO PARCEL "E"
OWINGS MILLS INDUSTRIAL PARK
RRG 29-14
FEB 15, 1963

TITLE REFERENCE

PROPERTY INVESTORS, INC.
WR 3823-209
(NON MONUMENTAL ENTERPRISES INC)
WR 4433-209

CERTIFICATION

I HEREBY CERTIFY THAT THE INFORMATION INCLUDED HEREON REPRESENTS TO THE BEST OF MY KNOWLEDGE CONDITIONS WHICH ARE TRUE AND ACCURATE, BASED UPON A FIELD VISIT, INFORMATION PROVIDED BY BALTIMORE COUNTY AND THE LOCATION PLAT DATED MAY 29, 1977 DRAWN BY ROBERT L. WEISMAN, LAND SURVEYOR.



DATA

1. LOCATION: 1324 DOLFIELD RD.
SECTION TWO
OWINGS MILLS INDUSTRIAL PARK
22G 29-14 FEB. 18, 1963
4TH ELECTION DISTRICT
BALTIMORE COUNTY, MARYLAND
2. ZONING: THE SUBJECT PROPERTY AND ALL
ADJACENT PROPERTIES ARE ZONED M.L.
3. EXISTING USE: WAREHOUSE + LIGHT MANUFACTURING
4. PROPOSED USE: SAME AS EXISTING.
5. AREA OF SITE: 11.45 ACRES.
6. PARKING DATA:
FIRST FLOOR
a) USE: OFFICE
TOTAL FLOOR AREA = 5100⁺
NO. OF SPACES REQ'D.: $5100/300 = 17$
NO. OF SPACES PROVIDED: 24
b) USE: WAREHOUSE/MFG.
NO. OF EMPLOYEES = 100
NO. OF SPACES REQ'D.: $100 \div 3 = 34$
NO. OF SPACES PROVIDED = 54
SECOND FLOOR
USE: OFFICES
TOTAL FLOOR AREA = 5100⁺
NO. OF SPACES REQ'D. = $5100 \div 500 = 11$
NO. OF SPACES PROVIDED = 18
TOTAL SPACES REQUIRED = 62
TOTAL SPACES PROVIDED = 105
7. UTILITY INFORMATION WAS PROVIDED BY BALTIMORE
COUNTY PERMIT DEPT. THE FOLLOWING BALTO. CNTY
UTIL. IN DWS. NO. ARE:
SOUTH DOLFIELD RD.
SAN. SEWER (62-1002-A10)
WATER (62-1002-A4C)
NEW PLANT COURT
SAN. SEWER (70-453-A10)
WATER (70-454-A4)

OFFICE COPY

ITEM # 227

LOCATION PLAT

UNIVERSAL SECURITY INSTRUMENTS INC.
OWINGS MILLS INDUSTRIAL PARK
4TH ELECTION DISTRICT BALTO. CO. MD.

SCALE : 1" = 50'

DATE: MAY 11, 1931

REVISOR BY: D.E.A. (5.11.81)

DRAWN BY: W.O.L.

CHECKED BY: RLW

PETITION OF UNIVERSAL SECURITY
INSTRUMENTS, INC. FOR A SIDEYARD VARIANCE
FOR THE PROPERTY KNOWN AS
10324 S. DOLFIELD ROAD TO ACCOMPANY
SURVEYOR'S PLAT OF THE PROPERTY

BEGINNING for the same at a point on the southwest corner of the intersection of South Dolfield Road Right-of-Way and New Plant Court Right-of-Way and running thence binding on the southwest side of said intersection South 48 degrees 44 minutes 31 seconds East, 26.40 feet; thence continuing running and binding on the southwesterly side of New Plant Court the following three calls and distances, South 3 degrees 57 minutes 34 seconds West, 229.00 feet; thence by a curve to the left having a radius of 330 feet for an arc distance of 352.64 feet and a chord of South 26 degrees 39 minutes 13 seconds East 336.10 feet; thence South 57 degrees 16 minutes 00 seconds East 144.00 feet; thence leaving said Right of Way South 32 degrees 44 minutes 00 seconds West 189.22 feet; thence North 60 degrees 56 minutes 52 seconds West 160.38 feet; thence by a curve to the left having a radius of 7.789.44 feet for an arc distance of 362.01 feet and a chord of North 58 degrees 49 minutes 45 seconds West 361.97 feet; thence North 31 degrees 15 minutes 50 seconds East 132.67 feet; thence North 03 degrees 57 minutes 34 seconds East 418.00 feet to the South side of South Dolfield Road Right-of-Way; thence continuing running and binding on the South side of South Dolfield Road, South 86 degrees 02 minutes 26 seconds East 179.00 feet to the point of beginning.

CONTAINING 4.450 acres, more or less, in fee simple.

IN THE MATTER OF	*	IN THE
THE PETITION OF	*	CIRCUIT COURT
UNIVERSAL SECURITY	*	FOR
INSTRUMENTS, INC. FOR	*	BALTIMORE COUNTY
VARIANCE OF SIDEYARD	*	AT LAW
REQUIREMENT	*	
UNIVERSAL SECURITY INSTRUMENTS,	*	Docket: 14
INC.	*	Folio: 69
10324 S. Dolfield Road	*	Case No: 82-M-64
Cwings Mills, Maryland 21117	*	
Appellant/Petitioner	*	

REPLY MEMORANDUM OF
UNIVERSAL SECURITY INSTRUMENTS, INC.

Now comes your Petitioner, Universal Security Instruments, Inc. ("Universal"), by its attorneys, Bernard S. Denick, Anthony P. Palaigos and Blum, Yunkas, Mailman & Gutman, P.A., pursuant to Maryland Rules of Procedure B12 and respectfully submits to this Honorable Court its Reply Memorandum.

INCREASED PROFITABILITY

The Appellee/Respondent, American Bottlers Equipment Company, Inc. ("AMBEC"), in its Memorandum cites to this Court that "increased profitability" is not a sufficient ground to justify the granting of an area variance. In support thereof, AMBEC cites among others Easter v. Mayor of Baltimore, 195 Md 395, 73 A.2d 491 (1949) and Daihl v. County Board of Appeals, 258 Md 157, 265 A.2d 227 (1970).

In the Easter case, although the Court of Appeals stated that making the property more profitable is not a sufficient ground to justify a variance, the need to increase profits was not the fact relied upon by the applicant in support of its variance application, nor was it the basis for denying the request. The applicant relied on the fact that the adjoining lot currently enjoyed an exception similar to the one requested. The applicant's request although granted by the Board was reversed by the Court of Appeals because the existence of an exception on one lot does not justify the exception being granted to another lot. The aforementioned statement by the Court of Appeals concerning increasing profits was thus dicta.

RE: PETITION FOR VARIANCE : BEFORE THE ZONING COMMISSIONER
SW corner of South Dolfield Rd.
and New Plant Ct., 4th District : OF BALTIMORE COUNTY

UNIVERSAL SECURITY INSTRUMENTS Case No. 82-28-A
INC., Petitioner

ORDER TO ENTER APPEARANCE

Mr. Commissioner:

Pursuant to the authority contained in Section 524.1 of the Baltimore County Charter, I hereby enter my appearance in this proceeding. You are requested to notify me of any hearing date or dates which may be now or hereafter designated therefore, and of the passage of any preliminary or final Order in connection therewith.

Peter Max Zimmerman
Deputy People's Counsel

John W. Hessian, III
People's Counsel for Baltimore County
Rm. 223, Court House
Towson, Maryland 21204
494-2188

I HEREBY CERTIFY that on this 17th day of July, 1981, a copy of the foregoing Order was mailed to Bernard S. Denick, Esquire, Suite 2900, 10 Light Street, Baltimore, Maryland 21202, Attorney for Petitioner.

John W. Hessian, III

Similarly, in the Daihl case, the Court of Appeals in reversing the decision of the County Board of Appeals which granted the variance, did so not because increased profitability or making the property more profitable was not a legal basis for the granting of a variance but rather the evidence tended to show or lead a reasonable man to believe that the granting of the variance would have an aesthetic detriment to the surrounding residential neighborhood.

There is nothing in the record that would support the finding that Universal's basis for seeking the subject variance was to increase the profitability of its property. In fact the Board, in its Opinion and Order, recited that its basis for denying the variance was not due to increased profitability, but rather that Universal could expand its subject manufacturing to the west on the 1-1/2 acre parcel, and that allowing the variance would create a safety hazard, neither of which were supported by any evidence whatsoever in the record. Even if it can be inferred from the evidence that Universal's request for the variance, although not admitted to by Universal, is based on financial hardship or an opportunity to get an increased return from the property, the Court of Appeals of Maryland, after reciting the Easter v. Mayor of Baltimore case, stated in Marino v. City of Baltimore, 215 Md 206, 137 A.2d 198 (1957) that financial advantage, although not controlling, is not entirely irrelevant. As a result, the out of state decisions cited by Universal in its previously filed Memorandum are applicable concerning the need to expand one's business and stay competitive as a legitimate factor in establishing practical difficulty.

McLEAN v. SOLEY CRITERIA

AMBEC further contends, incorrectly, that Universal failed to satisfy the second and third criteria set forth in McLean v. Soley, 270 Md 208, 309 A.2d 754 (1973).

First, AMBEC argues that Universal failed to establish that the granting of the variance "would do substantial justice to the applicant as well as to other property owners in the district . . ."

IN THE MATTER OF THE PETITION OF UNIVERSAL SECURITY INSTRUMENTS, INC. FOR VARIANCE OF SIDEYARD REQUIREMENT	THE CIRCUIT COURT
Appellant	FOR
VS.	CASE NO. 82 M 64
AMERICAN BOTTLERS EQUIPMENT CO., INC. and	Docket 14
PEOPLES COUNSEL FOR BALTIMORE COUNTY	Page 69
Appellees	

STATEMENT OF COURT

This appeal is from the decision of the County Board of Appeals passed on February 24, 1982 denying a sideyard setback variance requested by Universal Security Instruments, Inc. The property owner, Universal Security Instruments, Inc., appealed to this court.

On August 26, 1982, oral arguments of counsel were heard and the matter was held sub curia. The pleadings have been read and considered. Certified copies of proceedings before the Zoning Commissioner and Board of Appeals of Baltimore County were read and considered.

Memorandum in support of appeal by Universal Security Instruments, Inc. and memorandum in opposition to appeal by American Bottlers Equipment Co., Inc. and memorandum of Peoples Counsel for Baltimore County were read and considered, as well as the reply memorandum of Universal Security.

OPINION

The location plat, Petitioner's Exhibit 1, shows clearly that the existing warehouse manufacturing building is abutted by land making it possible to expand the building on either the easterly or westerly sides, to accommodate new assembly lines.

Mr. Dillon, Planner II with the Baltimore County Office of Planning and Zoning, was of the opinion, based on his physical inspection of the premises that a practical difficulty would exist for the owner to expand its manufacturing lines to an area other than the eastward portion of the building. (Record, page 77, line 5, page 85, lines 10 to 18.)

Mr. Schwartz, Director of Manufacturing of Universal Security Instruments, Inc., testified that the expansion to the east is absolutely needed. (Record, page 59, line 20.) He said the only feasible way financially to expand is on the east side. (Record, page 60, line 8.)

On the other hand, Mr. Stanley Katz, Vice President of the company, testified that they do plan to expand to the west of the building, to provide additional room for manufacturing and warehousing space and also expanding to

The applicable criteria however is not limited to the above quoted passage, but rather continued in the disjunctive by saying, "or whether a lesser relaxation than that applied for would give substantial relief to the owner of the property involved and be more consistent with justice to other property owners." McLean v. Soley, supra.

As the record indicates the original application for variance submitted by Universal was for a zero (-0-) setback rather than a five (5) foot setback. The request was relaxed, because all that was really needed by Universal was the five (5) foot setback. With the five (5) foot buffer between the proposed building expansion and the street, the Planning Department's original objections to the variance proposal were satisfied and thus it can be inferred that the variance could be granted without doing substantial injustice to other property owners.

Finally, the testimony of John Dillon clearly indicates that the proposed variance could be granted in the spirit of the ordinance (T.77, 89, 90) and that the public safety and welfare could be secured (T.77). In fact, there would be benefits that could be derived from the granting of the variance, as opined by Mr. Dillon, namely, the elimination of on-street parking (T.78) and the benefits to the community by keeping such a facility as Petitioners which employs several hundred persons in active production (T.89).

Respectfully submitted,

Bernard S. Denick

Anthony P. Palaigos

Blum, Yunkas, Mailman
& Gutman, P.A.
1800 Munsey Building
7 North Calvert Street
Baltimore, Maryland 21207
(301) 539-4151

the rear to make more room for servicing and warehousing of raw materials, to accommodate the essential growth of the manufacturing operation existing in the building. (Record, page 34, lines 13 to 20.)

Mr. Schwartz testified on cross-examination that future expansion to the west would provide space for moving the cafeteria, locker rooms and recreation rooms to the second floor of the addition, which would render the downstairs of the building available for light manufacturing. (Record, page 56, lines 6 and 12 to 15.)

Mr. Fauth, President of American Bottlers, testified that he has been in the manufacturing business for 50 years; and that he knows one can rearrange inside of buildings to suit manufacturing processes, particularly manufacturing of this type, which have assembly lines of no machinery whatsoever, and are nothing but tables, benches and chairs. (Record, page 101, lines 8 to 13.)

The Board in its opinion said that the key to its decision is the availability of additional land to the west, making expansion to the west a feasible alternative. The question before the Board, given the clear feasibility of expanding to the west, was whether it is reasonable to ask the other property owners of the industrial park to suffer the consequences of breaking the setback restriction, if expansion to the east is allowed. The Board concluded that the Petitioner would not be unreasonably prevented from using its property if the east setback restriction be maintained nor would the restriction be unnecessarily burdensome, since Petitioner has plans to expand to the west.

The evidence was fairly debatable on the issue of whether strict compliance with the zoning regulations would result in practical difficulty or unreasonable hardship to the owner of the factory.

The issue is fairly debatable and hence the decision of the Board must be sustained. Sembly v. County Bd. of Appeals, 269 Md. 177 at 184. In this Court's opinion, the Board accordingly was not arbitrary, unreasonable or capricious in reaching its decision. McLean v. Soley, 270 Md. 208 at 212.

This Court is not inclined to substitute its judgment for that of the Board. This Court believes it would be improper to do so under the circumstances as disclosed by the evidence before the Board.

Accordingly, the order appealed from should be affirmed.

ORDER

WHEREUPON it is by the Circuit Court for Baltimore County, on this 15th day of November, 1982,

ORDERED that the decision of the County Board of Appeals, in its Case #82-28-A, passed on February 24, 1982, denying the Petition of Universal Security Instruments, Inc. for variance of sideyard requirement for a property situate on the SW corner of S. Dolfield Road and New Plant Court, in the 4th District, be and it hereby is affirmed; and further

ORDERED that the Appellant pay the open court costs.

Walter R. Hail, Judge

COPIES SENT TO:
Bernard S. Denick, Esquire
John P. Vanden, Esquire
John W. Hessian, III, Esquire
Eugene Creed, Esquire

CERTIFICATE OF SERVICE

I HEREBY CERTIFY, that on this 18th day of June, 1982, a copy of the foregoing Reply Memorandum was mailed by first class mail, postage prepaid, to the County Board of Appeals of Baltimore County, Room 219, Court House, Towson, Maryland 21204; John P. Machen, Esquire, Piper & Marbury, 1100 Charles Center South, 36 South Charles Street, Baltimore, Maryland 21201, attorney for American Bottlers Equipment Company, Inc.; John W. Hessian, III, Esquire, People's Counsel for Baltimore County, and Peter Max Zimmerman, Esquire, Deputy People's Counsel, Room 223, Court House, Towson, Maryland 21204; Mr. Terry Holinsky, Saperstein, Holinsky and Strauss, 19 Walker Avenue, Pikesville, Maryland 21208; Frank Nicoll, Jr., Property Investors Co., 100 Music Fair Road, Owings Mills, Maryland 21117.

Anthony P. Palaigos
Attorney for Appellant/Petitioner

RE: PETITION FOR VARIANCE : IN THE CIRCUIT COURT
SW corner of S. Dolfield Rd. : FOR BALTIMORE COUNTY
and New Plant Ct., 4th District : AT LAW
Universal Security Instruments, : Misc. File No. 82-M-64
inc., Petitioner-Appellant :
Zoning File No. 82-28-A :

MEMORANDUM OF PEOPLE'S COUNSEL

In support of its Answer to the Petition on Appeal, People's Counsel for Baltimore County attaches the Memorandum filed with the Board of Appeals. For the reasons therein stated, the decision of the Board not only was supported by substantial evidence, but also was appropriate. Since the decision of the Board was neither arbitrary nor capricious, the Circuit Court should affirm.

John W. Hession, III
People's Counsel for Baltimore County

Peter Max Zimmerman
Deputy People's Counsel
Rm. 223, Court House
Towson, Maryland 21204
494-2188

I HEREBY CERTIFY that on this 15th day of June, 1982, a copy of the foregoing Memorandum of People's Counsel was mailed to Anthony P. Palaigos, Esquire, Blum, Yunkas, Mailman & Gutman, P.A., 1800 Munsey Building, 7 North Calvert Street, Baltimore, Maryland 21202; and John P. Machen, Esquire, Piper & Marbury, 1100 Charles Center South, 36 South Charles Street, Baltimore, Maryland 21201.

Peter Max Zimmerman

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2) The evidence indicated that, by providing greater side yard setbacks than required, the design would compensate for any light and air lost by the additional height.
3) There was no evidence that the building would be unsuitable to the Towson business section; the parking design, moreover, was in accord with a "core" parking plan.
The variance was affirmed, on the ground that the evidence as to "practical difficulty" was fairly debatable.

The Court of Appeals then brought its experience with area variances to bear in the McLean case, supra, wherein the standard was outlined and articulated categorically for the first time. In that case, involving the Baltimore County side yard window setback regulations, the Petitioner underlined that in the absence of the variance, he could utilize the property to its maximum residential density only by destroying certain trees. The neighboring Protestant complained of invasion of his yard privacy.

In applying the standard (Page 3, supra), the Court of Appeals underlined the benefit to the land and the public of preserving the trees. It acknowledged that Petitioner was charged with knowledge of the sideyard requirements when he purchased the property, but this rule was said to have "less significance" in area than use variance cases. Finally, conceding that case was "close," the Court found there was sufficient evidence of "practical difficulty" to make the favorable finding of the County Board of Appeals fairly debatable.

Considering all of the above, we find no set or mechanical formula for deciding area variance cases. Some further definition of the criteria may, however, be stated. The line drawn between "convenience" and "practical difficulty" depends on some unique quality of the land, such as subsurface water conditions or location of trees. The specific benefit of the proposal to the existing neighborhood may involve such matters as consistency with a core parking plan or preservation of the ecology. In addition, the compliance of the proposal with the intent of the regulations may take into account actual effect on light and air, density, and other land use objectives.

The Maryland standard on area variances appears to conform with the prevailing law. A review of Anderson, American Law of Zoning, Sections 18.46-18.56, suggests that

RE: PETITION FOR VARIANCE : BEFORE THE COUNTY BOARD OF APPEALS
SW corner of South Dolfield Rd. : OF BALTIMORE COUNTY
and New Plant Ct., 4th District :
UNIVERSAL SECURITY : Case No. 82-28-A
INSTRUMENTS, INC., Petitioner :
: : : : :

POST-HEARING MEMORANDUM

The People's Counsel for Baltimore County, upon review of the evidence presented at the variance hearing December 15, 1981, before the Baltimore County Board of Appeals, propose the following findings:

I. SUMMARY

Compliance with existing setback restrictions does not unreasonably prevent Petitioner's use of the property for industrial purposes. The proposed variance is not consistent with the interests of other property owners in Owings Mills Industrial Park and to the interest of the park generally. The intent of the law to preserve sufficient separation between industrial units would not be promoted or the public safety and welfare secured by the granting of this variance. Accordingly, it should be denied.

II. BACKGROUND

Petitioner wishes to expand its industrial plant located at the intersection of South Dolfield Road and New Plant Court in the Owings Mills Industrial Park. The property is zoned M.L. (Manufacturing, Light), and the addition, if granted, will be situated to the east, within five feet of New Plant Court, in lieu of the thirty feet normally required by Baltimore County Zoning Regulations Section 255.1 (238.2).

The reason given for the request is the growth in business of the Petitioner, which was anticipated at the time that use of the existing premises commenced in 1977. Petitioner further states that the interior design and configuration of its factory facilities make it practically or economically more difficult to expand to the opposite side. It was admitted that if the variance is not granted, the Petitioner would find it necessary to make a business decision relating to any more costly addition or provision of facilities at another location.

The variance, if granted, would be the first of its nature in Owings Mills Industrial Park, and two other occupants of the park appeared to protest the setting of such a precedent.

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"practical difficulty" may not be based on the permission of a more profitable use, a personal inconvenience, and are not generally designed to remedy builder's errors or self-created hardships.

A recent decision of the Supreme Court of Delaware is instructive. In Vassalli v. Tenn. Rose Civic Ass'n, 429 A.2d (Del. 1981), the Petitioner sought to convert his single family dwelling to apartment use. The record showed that Petitioner had constructed a second floor addition for the use of parents, but if it upon their moving out, the building was larger than needed for the immediate family. The conversion necessitated relief from various area restrictions. Applying a test similar to that in McLean, the Court found that "the problem is a personal one and is not a problem inherent in the land itself or in the application of the zoning regulations to the land." 429 A.2d, at 172. Moreover, the hardship was "largely self-imposed." Accordingly, the variance was properly denied.

REVIEW OF THE USE VARIANCE

In the commercial context, the present request possesses all of those qualities which indicate that denial is appropriate.

The problem of facility expansion to meet growing volume is personal to the business. It is associated with the desire to increase profits, and has no relation to the land. Furthermore, the company undertook its operations in the existing facility with knowledge of the restrictions. In failing to foresee the dramatic rise in business, USI created its own problem, albeit one associated with prosperity.

At the same time, there is no perceptible benefit to the public. Such benefit as there is, increased production and employment, is personal to the business and the work force generally, but has no involvement with the immediate neighborhood. There is no land use plan or ecological objective to be advanced. At the same time, the spirit and intent of the regulations is jeopardized. This variance, if granted, stands as a precedent for the development of industrial parks with substantial setbacks, to the potential detriment of the common use of the park.

They contend that business expansion is not such a "practical difficulty" as no amount exceeding normal setback requirements, and that a foreseeably greater setback requirements is important to the appearance, quality, and utilization of properties in an industrial park.

County Planner John W. Hession, in support of the variance, argued that the setback design problem posed a practical difficulty. He also noted the economic productivity of the Petitioner and contribution to employment as a factor in his favorable consideration of the project. At the same time, drawing from his considerable experience in the zoning process, he recognized the request to be unusual (but not "severe or extreme") and was unable to identify any similar variance in Owings Mills or any other County industrial park.

III. STANDARDS

Because of the importance of this case, and the need to define and understand the application of variance law generally and the "practical difficulty" standard particularly, it is appropriate to review the case law.

The Court of Appeals most recently has declined to apply a more expansive interpretation of the "practical difficulty" standard. In City of Baltimore v. City of Baltimore, 227 Md. 271, 139 A.2d 843 (1973), the Court of Appeals affirmed the County Board of Appeals' decision to deny a variance for a parking lot expansion.

1) Whether compliance with the strict letter of the restrictions would unreasonably prevent use of the property for a permitted purpose.

2) Whether substantial justice would be done consistent with interests of other property owners in the neighborhood, and

3) Whether the spirit of the ordinance will be observed and the public safety and welfare secured.

This standard necessarily requires some reasoning and understanding developed in earlier decisions.

In City of Baltimore v. City of Baltimore, 227 Md. 271, 139 A.2d 843 (1973), the Court of Appeals affirmed the County Board of Appeals' decision to deny a variance for a parking lot expansion. The Court of Appeals affirmed the County Board of Appeals' decision to deny a variance for a parking lot expansion. The Court of Appeals affirmed the County Board of Appeals' decision to deny a variance for a parking lot expansion.

The Board of Appeals, in its decision, found that the variance was not warranted. The Board of Appeals, in its decision, found that the variance was not warranted. The Board of Appeals, in its decision, found that the variance was not warranted.

John W. Hession, III
People's Counsel for Baltimore County

Peter Max Zimmerman
Deputy People's Counsel
Rm. 223, Court House
Towson, Maryland 21204
494-2188

I HEREBY CERTIFY that on the 15th day of June, 1982, a copy of the foregoing Post-Hearing Memorandum was mailed to Anthony P. Palaigos, Esquire, Blum, Yunkas, Mailman & Gutman, P.A., 1800 Munsey Building, 7 North Calvert Street, Baltimore, Maryland 21202; and John P. Machen, Esquire, Piper & Marbury, 1100 Charles Center South, 36 South Charles Street, Baltimore, Maryland 21201.

Peter Max Zimmerman

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of the applicant, the court defined "practical difficulty or unnecessary hardships" as involving a "hardship upon the individual property" related to "its unique situation and the regular circumstances," which "would constitute an entirely unnecessary and unwarranted invasion of the basic right of private property." 93 A.2d, at 272. The denial of the exception was affirmed.

In Park Shopping Center v. Longview Park Theatre Co., 216 Md. 271, 139 A.2d 843 (1973), the applicant had encroached upon the rear yard setback restrictions of St. Mary's County in constructing a secondary building adjacent to its theater. The extension into the rear yard was, moreover, contrary to the specific terms and conditions of the permits for use and occupancy.

The Board of Zoning Appeals granted the ensuing request for variance, primarily because of evidence that minor area violations were typically overlooked in the neighborhood. The Court of Appeals reversed, holding:

1) The existence of surrounding illegal or ill-advised variances is not a ground for a substantial variance.

2) The existence of a "practical difficulty" is not a ground for a substantial variance. The Court of Appeals affirmed the County Board of Appeals' decision to deny a variance for a parking lot expansion.

3) There was no showing that conformity with the ordinance would prevent a reasonable use of the property.

The variance was denied.

In City of Baltimore v. City of Baltimore, 227 Md. 271, 139 A.2d 843 (1973), the applicant sought to expand its parking lot. The County Board of Appeals gave a variance for a parking lot expansion. The Court of Appeals affirmed the County Board of Appeals' decision to deny a variance for a parking lot expansion.

The Board of Appeals, in its decision, found that the variance was not warranted. The Board of Appeals, in its decision, found that the variance was not warranted. The Board of Appeals, in its decision, found that the variance was not warranted.

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I. RELEVANT FACTS

USI owns approximately eleven acres of land (the "Property") located in the Owings Mills Industrial Park (the "Park") in Baltimore County, Maryland, known as 10324 South Dolfield Road (T.3). The Property is located on the southwest corner of Dolfield Road and New Plant Court, in the 4th District (T.2) and is zoned M.L.(T.3) (Manufacturing, Light).

USI submitted a Petition for Zoning Variance to the Zoning Commissioner for Baltimore County requesting a variance of the sideyard requirement of from thirty feet to zero feet. USI stated its reason for requesting the variance as expansion of manufacturing operations by construction of an addition adjacent to existing improvements.

After a hearing and an inspection of the site, the Deputy Zoning Commissioner granted a variance reducing the sideyard requirements from thirty feet to five feet.

AMBEC owns property within the Park and leases property directly opposite from the Property of USI (T.92-93). As such, AMBEC is a member of the same business community and has substantial interest in any zoning changes in the Park. Through its president, Frederick E. Fauth, AMBEC appealed the decision of the Deputy Commissioner to the Board of Appeals, which acknowledged the standing of AMBEC to assert its objections. (T.95).

On December 15, 1981, the Board of Appeals held a hearing on the appeal. USI presented its argument for the variance based upon business expansion. Mr. Fauth and William Burgemeister, president of Burgemeister-Bell Plumbing and Heating Company ("Burgemeister-Bell"), testified in opposition to the variance. Burgemeister-Bell is located within the Park on the north side of South Dolfield Road and directly across from the

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The applicant bears the burden of establishing facts sufficient to warrant a variance. Burns v. Mayor of Baltimore, 251 Md. 554, 248 A.2d 103 (1967); Mayor of Baltimore v. Polakoff, 233 Md. 1, 194 A.2d 819 (1963); Frankel v. Mayor of Baltimore, 223 Md. 97, 162 A.2d 447 (1959); Easter v. Mayor of Baltimore, 195 Md. 395, 73 A.2d 491, (1949). Failure to sustain the burden of proof is sufficient grounds for denial. Mayor of Baltimore v. Polakoff, 233 Md. at 9, 194 A.2d at 824.

B. Increased Profitability Not Sufficient Grounds

The Court of Appeals has held that "[t]he mere fact that the variance would make the property more profitable is not a sufficient ground to justify a relaxation of setback requirements." Easter v. Mayor of Baltimore, 195 Md. at 400, 73 A.2d at 492. See Dahl v. County Board of Appeals, 258 Md. 157, 167, 265 A.2d 227, 232 (1970). (interpreting BCZR §307). Burns v. Mayor of Baltimore, 251 Md. at 558, 248 A.2d at 105; Mayor of Baltimore v. Polakoff, 233 Md. at 9, 194 A.2d at 824; Renz v. Bonfield Holding Co., 223 Md. 34, 43, 158 A.2d 611, 615 (1959).

The Easter case, frequently cited by the Court of Appeals, bears similarity to the present situation. In Easter, the applicant sought a variance of the minimum frontal setback requirement in order to construct an addition to his store. The applicant contended that this addition would increase visibility of the store front, then partially obstructed. In turn, the rental occupancy of the store would increase. The Court of Appeals reversed the decision of the Baltimore City Court and the Board of Municipal and Zoning Appeals granting the variance. In holding that the economic reasons advanced by the applicant were insufficient to establish practical difficulty or unnecessary hardship to justify a variance, the court stated that: "the detriment to

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Property of USI (T.114). Subsequent to attendance at the hearing, People's Counsel for Baltimore County submitted a memorandum in opposition to the variance.

Holding that USI had failed to meet its burden of proof in demonstrating practical difficulty or unreasonable hardship under the applicable standard of McLean v. Soley, 270 Md. 208, 310 A.2d 783 (1973), the Board of Appeals reversed the decision of the Deputy Zoning Commissioner and denied any variance from the requirements imposed by the Baltimore County Zoning Regulations ("BCZR") under Section 255.1. USI has appealed the decision.

II. ISSUE PRESENTED: DID THE BOARD OF APPEALS ACT PROPERLY IN DENYING USI'S PETITION FOR VARIANCE UPON A FINDING THAT USI FAILED TO MEET ITS BURDEN OF PROOF?

In its Memorandum in Support of Appeal, USI argues that only USI presented substantial evidence before the Board of Appeals relating to the practical difficulty or unreasonable hardship that it would suffer arising from the strict enforcement of the sideyard setback requirement of BCZR §255.1 USI further argues that this evidence satisfies the legal standard necessary to establish entitlement to a variance and thus the Board of Appeals acted erroneously and unreasonably in denying the petition.

Certainly USI presented a greater volume of evidence before the Board of Appeals than did AMBEC. The Board of Appeals heard extensive testimony and saw written evidence regarding USI's business expansion, development plans, interior design, manufacturing layout, and so forth. However, these items relate to USI's desire to expand its business in order to increase its market and profits. The Maryland Court of Appeals has consistently

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the applicant must be weighed against the benefit to the community in maintaining the general plan." Easter v. Mayor of Baltimore, 195 Md. at 401, 73 A.2d at 493. The holding and rationale of Easter has been applied by the Court of Appeals in construing BCZR §307. Dahl v. County Board of Appeals for Baltimore County, 258 Md. at 167, 265 A.2d at 232. (reversing the grant of a setback and area variances, holding that practical difficulty or unreasonable hardship were not established under BCZR §307 by showing financial hardship.)

Thus, it is a general principle of Maryland law that proving the need for a variance in order to produce a more profitable business position does not satisfy the burden of showing practical difficulty or unreasonable hardship. USI attempts to distinguish the present situation under the terminology of business expansion to meet growing business demands. A substantial portion of the evidence presented by USI at the hearing before the Board of Appeals proved only that granting the variance would allow USI to continue expanding its production and sales. The goal of such expansion would be increased profitability for the company. This variant of the Easter profitability argument is not sufficient to establish a practical difficulty under Maryland law.

As the Court of Appeals repeatedly has rejected the argument that increased profitability will satisfy the test of

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held that such factors will not substantiate a finding of practical difficulty or unreasonable hardship necessary in order to be entitled to a variance. The Board of Appeals correctly applied the evidence to the legal standard in denying USI's petition.

A. Factors To Be Established For Granting A Zoning Variance Under BCZR §307

BCZR §307 empowers the Zoning Commissioner or the Board of Appeals to grant a variance upon the condition that 1) strict compliance with the regulations would result in practical difficulty or unreasonable hardship; 2) the variance, if granted, would be in strict harmony with the spirit and intent of the regulations; and 3) no substantial injury to public health, safety, and general welfare results.

This section indicates a restricted approach to the granting of any variance. An applicant must satisfy specific criteria to obtain a variance since, among other factors, a granted variance will alter legislatively adopted standards. See Shapiro, The Zoning Variance Power - Constructive in Theory, Destructive in Practice, 29 Md.L. Rev. 3, 4 (1969) (arguing that in theory, a variance is a permitted violation of zoning regulations.) See also "72 and 80 indicating that the Baltimore County Office of Planning and Zoning gives close scrutiny to applications for commercial and industrial variances due to potential adverse effect.

The Court of Appeals has recognized that the power to grant variances should be strictly construed in order to preserve the integrity of the zoning scheme. See Marino v. Mayor of Baltimore, 215 Md. 206, 216, 137 A.2d 198, 202 (1957). Maryland law recognizes that variance provisions differ from those regarding special exceptions, in that special exceptions are authorized

the practical difficulty, the cases cited by USI from other jurisdictions are inapplicable.

Further, testimony from USI's witnesses contradicts the evidence presented by AMBEC. USI's witnesses testified only that USI planned to expand its business in a westerly direction, which would require the zoning variance. USI acquired an additional 1.5 acres adjacent to the property on the west. (T.10). While USI planned to use this property for parking (T.35) and testimony by USI's Director of Manufacturing termed easterly expansion with the variance as "the only feasible way financially to do it," (T.10). (Emphasis Added), later testimony revealed that USI

1. While the Supreme Court of Delaware expressed in dicta that inability to improve one's business "may be a legitimate exceptional practical difficulty," that court did not decide that issue. Board of Adjustment of New Castle County v. Public-Check Realty, Inc., 369 A.2d 119 (Del. 1976). In affirming the decision of the Board of Adjustment, the court upheld the ruling of a lower court that the administrative board had failed to particularize its findings sufficiently to permit appellate review.

2. Public-Check Realty, Inc. v. Board of Adjustment of New Castle County, 369 A.2d 119 (Del. 1976) is distinguishable. In that case, while the grant of a variance to allow the expansion of a local telephone company's building, the company would have had to relocate its operations. This would have inconvenienced not only the company, but community telephone service. Significant public benefit would result from continued service without disruption. The proposed expansion further would provide increased service and avoid higher costs to subscribers. Additionally, the court noted that the telephone company presented a "unique and peculiar situation, since its existing building had been built in conformity with zoning regulations that had subsequently changed. Id. at 937. These factors are not present in USI's situation.

Although District of Columbia Court of Appeals, in Bartlett v. District of Columbia Board of Zoning Adjustment, 358 A.2d 111 (D.C. 1976), mentions increased expense as a factor in granting an area variance, the court held that increased costs of payment to establish "exceptional practical difficulties." Id. at 317. The court expressly cautioned that variances "cannot be granted where the property conforming to the regulations will produce a reasonable income but, if put to another use, will yield a greater return." Id. at 317.

The remaining citations offered by USI represent unreviewed decisions of inferior state courts which merit little consideration, since the Maryland Court of Appeals has already addressed the issue as set forth above.

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departures from a general zoning scheme upon legislatively determined circumstances, while variances are discretionary and designed for "those exceptional cases where the strict application of the general zoning law would result in peculiar practical difficulties or exceptional or undue hardship on the owner. ..." Montgomery County, Maryland v. Merlands Club, Inc. 202 Md. 279, 288, 96 A.2d 261, 264-65 (1952).

BCZR §307 provides as one of the elements for granting an area variance that practical difficulty or unreasonable hardship be established. The Court of Appeals has recognized this to be a disjunctive burden and that the applicant may satisfy the burden by proving the lesser standard of "practical difficulty." Loyola Federal Savings and Loan Association v. Buschman, 277 Md. 243, 248-249, 176 A.2d 355, 358, (1961) (construing BCZR §307).

In McLean v. Soley, 270 Md. 208, 310 A.2d 783 (1973), the Court of Appeals, interpreting BCZR §307, adopted the following criteria for establishment of practical difficulty in order to grant an area variance:

"1) Whether compliance with the strict letter of the restrictions governing area, set backs, frontage, height, bulk or density would unreasonably prevent the owner from using the property for a permitted purpose or would render conformity with such restrictions unnecessarily burdensome.

"2) Whether a grant of the variance applied for would do substantial justice to the applicant as well as to other property owners in the district, or whether a lesser relaxation than that applied for would give substantial relief to the owner of the property involved and be more consistent with justice to other property owners.

"3) Whether relief can be granted in such fashion that the spirit of the ordinance will be observed and public safety and welfare secured."

McLean v. Soley, 207 Md. at 214-15, 310 A.2d at 787.

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planned a westerly expansion of its operations (T.65-69), and, with added planning and cost, USI could reverse its expansion, accommodating proposed new manufacturing lines and not requiring a variance (T.69-71). Thus, the USI failed to prove that the zoning restrictions were "unnecessarily burdensome" as required by McLean v. Soley.

USI presented no evidence to demonstrate that granting a variance based upon business necessity "would do substantial justice to the applicant as well as to other property owners in the district. ..." McLean v. Soley, supra. (emphasis added). See Board Opinion No. 82-28-A at 4 (expressly recognizing this concern). To accomplish substantial justice with respect to other property owners similarly situated, the Board of Appeals would have to consider seriously every application for variance submitted on a justification of growing business demand. Such an "equity" would be incompatible with the concept of zoning as a regulation of business and residential growth.

Finally, USI presented insufficient evidence to demonstrate that granting the variance would comply with "the spirit of the ordinance" while securing "public safety and welfare." McLean v. Soley, supra. As illustrated by the facts of McLean, satisfaction of this element involves a balancing of interests. In seeking relief from the minimum setback requirements, the applicant in McLean showed that his proposed plan would preserve trees and natural beauty. In affirming the grant of a variance, the Court of Appeals found the benefit to the public from the preservation of trees to be a significant factor in establishing the necessary criteria for a variance. McLean v. Soley 270 Md. at 215, 310 A.2d 787. While USI presented evidence that additional parking would be provided under its plan, the Board of Appeals observed at the hearing that the parking still might be provided in a plan of expansion in a westerly direction not

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Attorney for Appellee

CERTIFICATE OF SERVICE

John P. Machen
John P. Machen
Attorney for Appellee

IN THE MATTER OF THE	*	IN THE CIRCUIT COURT	
PETITION OF UNIVERSAL			
SECURITY INSTRUMENTS, INC.	*	FOR BALTIMORE COUNTY	
FOR VARIANCE OF SIDEYARD			
REQUIREMENT	*	AT LAW	
	*		
UNIVERSAL SECURITY	*	DOCKET	14
INSTRUMENTS, INC.			
10324 S. Dolfield Road	*	FOLIO	69
Owings Mills, Maryland 21117	*	CASE NO:	82-M-64

MEMORANDUM IN SUPPORT OF APPEAL BY
UNIVERSAL SECURITY INSTRUMENTS, INC

BACKGROUND INFORMATION

Universal submitted a Petition to the Zoning Commissioner of Baltimore County requesting a variance from Section 255.1 (formerly Section 238.2) of the Zoning Regulations of Baltimore County. Universal requested that the sideyard requirement of thirty feet (30') be reduced to zero feet (0') so as to permit the expansion of

ISSUE

The rule is well settled in this State that decisions of an administrative body, such as the Board, will not be disturbed on appeal, unless they are not supported by substantial evidence or are arbitrary, capricious or unreasonable. See Supervisor of Assessments of Carroll County v. Peter and John Radio Fellowship, Inc., 274 Md. 353, 335 A.2d 93 (1975). If a reasoning mind reasonably could have attained the factual conclusion reached by the administrative agency,

In Broadview Apartments, a hearing was held before Baltimore City's Commission for Historical and Architectural Preservation (CHAP) during which Broadview presented testimony and evidence supporting its position that the Ascot House be demolished as restoration was not economically feasible. The testimony consisted of expert testimony and reports produced by Broadview in support of its position, as well as the testimony and report of Ralph Davis, who at the time of the hearing, was an employee of the City of Baltimore and completely independent of Broadview. The only evidence before CHAP contradicting Broadview's claim that it was not economically feasible to renovate the Ascot House was a report prepared by the Ben Morton Company which admittedly failed to include in its analysis such things as debt service, return of purchase price, major roof repairs, and an underestimation of property taxes, all of which made the report inadequate.

A reduction in the sideyard requirement has been established in Maryland as an area variance and not a use variance. Lovola Loan Association v. Bushman, 227 Md. 243, 176 A.2d 355 (1961). The standard or burden applicable for an area variance is the practical difficulty or unreasonable hardship standard. Anderson v. Board of Appeals, Town of Chesapeake Beach, Maryland, 22 Md. App. 28, 322 A.2d 220 (1974). As stated in the Anderson case, a lesser burden is permitted where an area variance is requested because the impact of an area variance is viewed as being much less drastic than that of a use variance.

An inability to expand one's business to meet the demands of business growth because of area limitations has not been directly decided by this State as constituting a practical difficulty. However, several other jurisdictions have had such an opportunity and those jurisdictions have allowed the inability to expand one's business to be considered as either a factor in determining the existence of practical difficulty or constituting the hardship or practical difficulty itself.

In the case of Board of Adjustment of New Castle v. Kwik-Check Realty, Inc., 389 A.2d 1289 (Del. 1978), the owners desired to place self-service gasoline pumps on their properties (which were being used as 7-11 convenience stores). Since the land did not meet minimum lot size requirements, the owners petitioned the New Castle Board for a variance from the minimum lot size requirements. The Supreme Court of Delaware, applying a test similar to that enunciated in the McLean case, held (on page 1291):

"The inability to improve one's business, or to stay competitive as a result of area limitations, may be a legitimate 'exceptional practical difficulty' that would justify a grant of a variance. Such practical difficulty is present where the requested dimensional change is minimal and the harm to the applicant if the variance is denied will be greater than the probable effect on neighboring properties if the variance is granted."

The case of Rosedale Skinner Improvement Association et al v. Board of Adjustment, 425 S.W.2d 929 (Missouri, 1968) involved the application by the Southwestern Bell Company (Bell) for a variance from the height limitations of the existing zoning ordinance in order to permit the construction of a four-story addition to an existing improvement. The evidence and testimony, among other things, established that (i) the business expansion was needed due to increased demand being experienced by Bell, (ii) the additional equipment demands and the configuration of the existing facility required expansion into a four-story addition, (iii) to move to an entirely new location would be too costly and inefficient, and (iv) the public would be benefited by allowing the expansion to occur at the existing location rather than moving to a new location. On these facts the Supreme Court of Missouri held:

"Our conclusion is that there was competent and substantial evidence that practical difficulties and undue hardship would exist if the applicant was required to conform to the height restrictions of the existing ordinance, and that the grant of the height variance was authorized by law. The existing building and hence the situation in which Bell found itself was unique and peculiar in that this special

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Thirdly, the area to the immediate west of the existing facility has been projected for future expansion for manufacture of new product line and warehouse space. However, the projected manufacturing requirements do not include addition of two long production manufacturing lines that are required by Universal in the eastward expansion of the facility, but rather for the installation of automatic equipment involving shorter lines that could be incorporated in the sectional rooms planned for the westward expansion of the building (T. 66-69).

Finally, the evidence submitted by Universal revealed that the exterior facade of the proposed eastward expansion to the existing facility on the Property would be of a height and brick facade similar to the existing building (T. 36, 59). Furthermore, there would not be any interference with existing light and air to surrounding properties (T. 42), and the landscaping would be maintained between the eastward addition to the existing facility and New Plant Court Road (T. 38).

All of the aforementioned testimony and evidence was substantiated and supported by the testimony of the only unbiased witness at the hearing before the Board, namely, John J. Dillon ("Dillon") of the Office of Planning and Zoning of Baltimore County. After having physically inspected Universal's facility on the Property, Dillon testified that a practical difficulty warranting the granting of the sideyard variance existed due to the interior construction of the building and the existing manufacturing flow of the facility (T. 74-77). Dillon further testified that granting the variance would not cause any injury to the public health, welfare or safety to the surrounding properties or the community as a whole (T. 77-78). Dillon stated that to minimize the effect of the proposed eastward expansion to the existing facility, landscaping should be maintained between the exterior of the eastward expansion and the

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sort of building was developed and constructed at its present height under the ordinance then in force. The present ordinance permitted an additional five feet in height but that was of no use to the applicant unless it had authority for ten feet more so that the other story could be added. The Board of Adjustment exercised a sound discretion in granting the variance."

See also, Methodist Homes Fund v. Lawson, 61 Misc. 2d 184 (Sup. Ct., Broome County, N.Y. 1969) (holding that such things as increased cost of construction, high interest and benefit to the community are legitimate factors in determining practical difficulty); Barbour v. District of Columbia Board of Zoning Adjustment, '58 A.2d 326 (D.C. 1978) (holding that increased construction expenses is a recognized factor to be considered in establishing practical difficulty); and In Re Freid-el Corporation, 383 A.2d 1286 (Pa. 1978) (the need to expand in response to the dictates of business can be the hardship necessary for the granting of a variance).

The only substantive evidence and testimony presented to the Board clearly established that a practical difficulty existed pursuant to the standard set forth in the McLean case, and the additional cases and decisions discussed and cited in this Memorandum. The only reasonable decision that could have been reached by the Board based on such substantive evidence was to grant Universal's request for a variance.

The evidence presented by Universal established that Universal acquired the Property in 1977 in substantially the same condition as it exists today. Universal has operated within the existing building in substantially its present condition (T. 20). During the past several years, Universal has experienced phenomenal and unanticipated growth in business as evidenced by the drastic increase in sales volume from \$11,278,576 in 1977 to a projected figure of \$20,000,000 in 1982, despite the present general decline in business and employment throughout Baltimore County (Petitioner's

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curb of New Plant Court Road and the sideyard setback, rather than being zero, as originally requested by Universal, be five feet (5') as five feet (5') is the minimum amount required by Universal to overcome its hardship (T. 76-77). Finally, Dillon testified there would not be any objection to the granting of the variance from a planning perspective (T. 77) and that, in his opinion, favoring the granting of the variance was in part influenced by the fact that the expansion would, in fact, benefit the community by keeping within the County an established industrial business and an employer (T. 89).

SUMMARY

In summary, the uncontradicted substantive evidence before the Board clearly established that Universal sustained its burden of proving a practical difficulty warranting the granting of the requested variance from the sideyard requirements. Universal's variance could be granted within the spirit of the applicable zoning ordinance without jeopardizing the public health, welfare and safety. The testimony, over Universal's objections before the Board, by Fauth (who was not qualified to testify as an expert in the areas of industrial planning, industrial real estate appraisal or the manufacturing of sophisticated electronic equipment, as produced by Universal) before the Board concerning the potential loss of aesthetic qualities of the subject industrial park, potential decrease in values of properties located within the industrial park and the fear of opening a Pandora's box in the granting of area variances to industrial property owners, should Universal's variance be granted, can be characterized as pure speculation at best, woefully inadequate, and totally lacking of the substantive evidence that could support the Board's decision denying Universal's request for a variance.

The decision of the Board was arbitrary, capricious and not

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Exhibit Nos. 7 and 8; f. 27-32). In response to the demands of the business, and in order to accommodate the dramatic growth in sales, Universal has been forced to embark on an overall expansion project in the Owings Mills business corridor, including the planned addition of two manufacturing lines to the east of the Property in the area for which the subject variance is sought (Petitioner's Exhibit No. 1; T. 33, 34, c and 60).

Universal, through testimony of Stanley W. Katz, the Appellant's Vice President and Chief Financial Officer, and Allan Martin Schwartz, the Appellant's Director of Manufacturing, established that the only area in which two new manufacturing lines could be built is to the east of the existing facility on the Property within an addition to the Property with dimensions of approximately 45' x 200' (Petitioner's Exhibit No. 1). The requested variance would have to be granted in order to accommodate the new improvements. Without contradiction, the testimony established that (a) the existing flow and ebb of Universal's manufacturing process mandated the establishment of two new manufacturing lines to the east of the existing facility (T. 59), (b) the construction of an addition to the immediate west of the existing facility is prohibited by the existence of a masonry load-bearing wall and the mezzanine in such area (T. 60), (c) the expansion to the west would be too costly and would interrupt the flow of Universal's manufacturing operations (T. 60), (d) the configuration of the existing building prohibits the rearrangement of the manufacturing lines (to run from east to west rather than the existing north to south direction) because the building is not wide enough (T. 61) and (e) the introduction of double shifts to obtain additional production from the existing manufacturing lines, rather than adding two new additional manufacturing lines, is impracticable and uneconomical due to the composition of the existing labor force (T. 62).

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supported by substantive evidence and therefore should be reversed.

Respectfully submitted,

Bernard S. Denick

Anthony P. Palaigos
Blum, Yunkas, Mallman & Gutman, P.A.
1800 Munsey Building
7 N. Calvert Streets
Baltimore, Maryland 21202
539-4151
Attorneys for Appellant/Petitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY, that on this 7th day of May, 1982, a copy of the foregoing Memorandum in Support of Appeal by Universal Security Instruments, Inc. was mailed by first class mail, postage prepaid, to the County Board of Appeals of Baltimore County, Room 219, Court House, Towson, Maryland 21204; John P. Machen, Esquire, Piper & Marbury, 1100 Charles Center South, 36 S. Charles Street, Baltimore, Maryland 21201, attorney for American Bottlers Equipment Company, Inc.; John W. Hesslan, III, Esquire, People's Counsel for Baltimore County, and Peter Max Zimmerman, Esquire, Deputy People's Counsel, Room 223, Court House, Towson, Maryland 21204; Mr. Terry Holinsky, Saperstein, Holinsky and Strauss, 19 Walker Avenue, Pikesville, Maryland 21208; Frank Nicoll, Jr., Property Investors Co., 100 Music Fair Road, Owings Mills, Maryland 21117.

Anthony P. Palaigos
Attorney for Appellant/Petitioner

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The testimony also established that strict compliance with the 30 foot sideyard requirement would prove unnecessarily burdensome to Universal in the use of the Property, as dictated by business demands. A minimum of 22 feet is needed for each manufacturing line within a minimum building expansion width of 45 feet (T. 62, 63 and 65). Strict compliance with the 30 foot sideyard requirement would allow for only an eastward building expansion of 20 feet which size is insufficient for even one manufacturing line (T. 63). Refusal to allow the variance would prohibit Universal's expansion which is mandated by the demands of its business needs and growth. The area limitation imposed by the sideyard requirements creates a practical difficulty prohibiting Universal's expansion of its existing building to meet expanded business needs and growth.

The evidence presented by Universal further established that expansion to the immediate west of the existing facility for the addition of two new manufacturing lines as well as on the 1-1/2 acre parcel of ground to the west of the Property is not possible for several reasons.

Firstly, the 1-1/2 acre parcel was acquired to provide off-street parking for Universal's current employees and visitors without considering the expansion and in light of the eastward expansion resulting in the elimination of existing off-street parking spaces (T. 35, 40, 63 and 64).

Secondly, the additional manufacturing lines cannot be placed in a separate building erected on the 1-1/2 acre parcel of ground because of insufficient square footage to accommodate the manufacturing lines (T. 61), (b) it would double Universal's cost of product manufacturing (T. 61), (c) the existing flow of manufacturing could not be maintained and would be interrupted (T. 63), and (d) without such 1-1/2 acre parcel being used for off-street parking, there would not be sufficient spaces to provide the requisite off-street parking for Universal's employees.

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IN THE MATTER OF THE PETITION
OF UNIVERSAL SECURITY INSTRUMENTS,
INC. FOR VARIANCE OF SIDEYARD
SETBACK REQUIREMENT

UNIVERSAL SECURITY INSTRUMENTS,
INC., Appellant/Petitioner

* IN THE CIRCUIT COURT
* FOR BALTIMORE COUNTY
* AT LAW
* Docket No. 14
* Folio 69
* Case No. 82-M-64

Answer to Petition on Appeal

The Appellee, American Bottlers Equipment Co., Inc., by its attorney John P. Machen, answers the Petition on Appeal filed in this case as follows:

1. Appellee admits the allegations in Paragraphs 1 and 2 of the Petition on Appeal.
2. Appellee is without sufficient knowledge or information to admit or deny the allegations in Paragraph 3 of the Petition on Appeal.
3. Appellee admits the allegations in Paragraphs 4 and 5 of the Petition on Appeal.
4. Appellee admits that a hearing was held before the County Board of Appeals of Baltimore County on December 15, 1981, but denies the other allegations in Paragraph 6 of the Petition on Appeal.
5. Appellee denies the allegations in Paragraphs 7 and 8 of the Petition on Appeal.
6. Appellee admits the allegations in Paragraphs 9 and 10 of the Petition on Appeal.
7. Appellee denies the allegations in Paragraphs 11, 12, 13, and 14 of the Petition on Appeal.
8. Appellee further states that the decision of the County Board of Appeals of Baltimore County was proper and lawfully

based on substantial evidence in that the Appellant failed to show that strict compliance with the Baltimore County Zoning Regulations would result in practical difficulty or unreasonable hardship and that the grant of such a variance would be in strict harmony with the spirit and intent of the Baltimore County Zoning Regulations without substantial injury to public health, safety and general welfare.

Respectfully submitted,

John P. Machen
John P. Machen

PIPER & MARBURY
1100 Charles Center South
36 South Charles Street
Baltimore, Maryland 21201
(301) 539-2530

Attorney for Appellee

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BY: [Signature]

Universal Security Instruments, Inc.
Case No. 82-28-A

Record of proceedings pursuant to which said Order was entered and said Board acted are permanent records of the Zoning Department of Baltimore County, and your respondents respectively suggest that it would be inconvenient and inappropriate to file the same in this proceeding, but your respondents will produce any and all such rules and regulations whenever directed to do so by this Court.

Respectfully submitted,

June Holmen
June Holmen
County Board of Appeals of Baltimore County

cc: Bernard Denick Esq. and Anthony Palaigos, Esq.
Richard Ferber, Esq.
J. W. Hession, Esq.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that in accordance with Rule 59 of the Maryland Rules of Procedure on this 13th day of April, 1982 a copy of the foregoing Answer to Petition on Appeal was hand-delivered to Bernard S. Denick, Esquire and Anthony P. Palaigos, Esquire, Attorneys for Appellant/Petitioner at Blum, Yunkas, Mailman & Gutman, P.A., 1800 Munsey Building, 7 North Calvert Street, Baltimore Maryland 21202 prior to the filing hereof. I further certify that on the date stated above, a copy of the foregoing Answer to Petition on Appeal was mailed, first-class, postage prepaid, to Mr. Terry Holinsky, Saperstein, Holinsky & Strauss, 19 Walker Avenue, Pikesville, Maryland 21208; Frank J. Nicoll, Jr., Property Investors Co., 100 Music Fair Road, Owings Mills, Maryland 21117; John W. Hession, III, Esquire, People's Counsel for Baltimore County, Court House, Towson, Maryland 21204, and County Board of Appeals of Baltimore County, Room 219, Court House, Towson, Maryland 21204.

John P. Machen
John P. Machen
Attorney for Appellee

IN THE MATTER OF THE PETITION : IN THE CIRCUIT COURT
OF UNIVERSAL SECURITY :
INSTRUMENTS, INC. FOR VARIANCE : FOR BALTIMORE COUNTY
OF SIDEYARD REQUIREMENT : AT LAW
UNIVERSAL SECURITY INSTRUMENTS, :
INC., Appellant/Petitioner : Misc. #82-M-64
Zoning Case No. 82-28-A :

ANSWER TO PETITION ON APPEAL

People's Counsel for Baltimore County, Appellee, answers the Petition on Appeal in the above-entitled case, as follows:

1. Appellee admits Paragraphs 1 - 5 and 9 - 10 of the Petition.
2. Appellee denies Paragraphs 6 - 8 and 11 - 14 of the Petition.
3. In further answering, Appellee states that the decision of the Board of Appeals was reasonable and based on legally competent and substantial evidence.
4. The Petitioner failed to establish that its request was warranted by unreasonable hardship or practical difficulty, equity and justice in the neighborhood, and conformity with the spirit and intent of the zoning regulations.

WHEREFORE, Appellee prays that the Court affirm the decision of the County Board of Appeals of Baltimore County.

John W. Hession III
John W. Hession, III
People's Counsel for Baltimore County

Peter Max Zimmerman
Peter Max Zimmerman
Deputy People's Counsel
Rm. 223, Court House
Towson, Maryland 21204
494-2188

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BY: [Signature]

RE: PETITION FOR VARIANCE : IN THE
SW corner of S. Dolfield Rd. : CIRCUIT COURT
and New Plant Ct. :
4th District :
Universal Security Instruments, Inc., :
Petitioner-Appellant : FOR
Zoning File No. 82-28-A : BALTIMORE COUNTY
AT LAW
Misc. Docket No. 14
Folio No. 69
File No. 82-M-64

CERTIFIED COPIES OF PROCEEDINGS BEFORE THE ZONING COMMISSIONER AND THE BOARD OF APPEALS OF BALTIMORE COUNTY

TO THE HONORABLE, THE JUDGE OF SAID COURT:

And now come John V. Murphy, Keith S. Franz and Patricia Phipps, constituting the County Board of Appeals of Baltimore County, and in answer to the Order for Appeal directed against them in this case, herewith return the record of proceedings had in the above entitled matter, consisting of the following certified copies or original papers on file in the office of the Zoning Department of Baltimore County:

ZONING ENTRIES FROM DOCKET OF ZONING COMMISSIONER OF BALTIMORE COUNTY

No. 82-28-A
June 2, 1981 Petition of Universal Security Instruments, Inc. for variance from Sec. 255.1 (238.2) to permit a side yard setback of zero feet (0') rather than required thirty feet (30'), on property located on the southwest corner of S. Dolfield Rd. and New Plant Ct. in the 4th Election District of Baltimore County
June 2, 1981 Order of Zoning Commissioner directing advertisement and posting of property - date of hearing set for July 30, 1981, at 9:30 a.m.
July 9, 1981 Certificate of Publication in newspaper - filed
July 10, 1981 Certificate of Posting of property - filed
July 21, 1981 Comments of Baltimore County Director of Planning - filed

- 2 -

I HEREBY CERTIFY that on this 8th day of April, 1982, a copy of the foregoing Answer to Petition on Appeal was delivered to the Administrative Secretary of the County Board of Appeals, Room 200, Court House, Towson, Maryland 21204; and a copy was mailed to Anthony P. Palaigos, Esquire, and Bernard S. Denick, Blum, Yunkas, Mailman & Gutman, P.A., 1800 Munsey Building, 7 North Calvert Street, Baltimore, Maryland 21202; Frederick E. Fauth, President, American Bottlers Equipment Co., Inc., 50 Gwynns Mill Court, Owings Mills, MD 21117; Richard Ferber, Esquire, 1100 Charles Center South, 36 S. Charles Street, Baltimore, Maryland 21201; Mr. Terry Holinsky, Saperstein, Holinsky & Strauss, 19 Walker Avenue, Pikesville, Maryland 21208; Frank Nicoll, Jr., Property Investors Co., 100 Music Fair Road, Owings Mills, Maryland 21117.

Peter Max Zimmerman
Peter Max Zimmerman

Universal Security Instruments, Inc.
Case No. 82-28-A

July 21, 1981 Comments of Baltimore County Zoning Plans Advisory Committee - filed
July 30, 1981 At 9:30 a.m. hearing held on petition by Zoning Commissioner
August 25, 1981 Order of Deputy Zoning Commissioner granting the variance subject to restrictions
September 3, 1981 Order for Appeal to County Bd. of Appeals from Order of Deputy Zoning Commissioner
December 15, 1981 Hearing on appeal before County Board of Appeals
February 24, 1982 Order of County Board of Appeals ordering that the variance from Sec. 255.1 (238.2) to permit a side yard setback of zero feet (0') rather than the required thirty feet (30') petitioned for, be and the same is hereby DENIED
March 10, 1982 Order for Appeal filed in the Circuit Court for Baltimore County by Bernard S. Denick and Anthony P. Palaigos, Esqs., on behalf of the Petitioner
March 12, 1982 Certificate of Notice sent to all interested parties
March 19, 1982 Petition to accompany Order for Appeal filed in the Circuit Court for Baltimore County
April 6, 1982 Transcript of testimony filed
Petitioner's Exhibit No. 1 - Location Plat, 5/11/81 revised 12/8/81
" " " 2 - Lease, June 27, 1979
" " " 3 - Agreement, June 5, 1981
" " " 4 - Agreement, Feb. 11, 1981
" " " 5 - Agreement of Sale, Sept. 15, 1981
" " " 6 - Agreement of Sale, April 13, 1981
" " " 7 - Securities and Exchange Commission, Form 10-K
" " " 8 - Securities and Exchange Commission, Form 10-Q
" " " 9 - 4 large photos (in closet at Bd. of Appeals)
" " " 10 - 5 large photos (in closet at Bd. of Appeals)
April 7, 1982 Record of proceedings filed in the Circuit Court for Baltimore County

IN THE MATTER OF THE PETITION * IN THE
OF UNIVERSAL SECURITY *
INSTRUMENTS, INC. FOR VARIANCE * CIRCUIT COURT
OF SIDEYARD REQUIREMENT *
UNIVERSAL SECURITY INSTRUMENTS, *
INC. * BALTIMORE COUNTY
10324 South Dolfield Road *
Owings Mills, Maryland 21117 * AT LAW
Appellant/Petitioner * Docket No: 14
Folio: 69
Case No: 82-M-64
* * * * *

MOTION AND APPLICATION OF PETITIONER, UNIVERSAL SECURITY INSTRUMENTS, INC. TO EXTEND TIME FOR TRANSMISSION OF RECORD

Universal Security Instruments, Inc., Petitioner by Bernard S. Denick, Anthony P. Palaigos and Blum, Yunkas, Mailman & Gutman, P.A., its attorneys, moves, pursuant to Rule B7b. of the Maryland Rules of Procedure, that the time for transmission of the record from the County Board of Appeals of Baltimore County to this Honorable Court be extended for thirty (30) days up to and including May 18, 1982. The grounds of this Motion and Application are as follows:

1. The Petitioner filed its Petition on Appeal with this Court and served a copy of same on the County Board of Appeals of Baltimore County on March 19, 1982.
2. The thirty (30) day period prescribed by Maryland Rule B7a. for transmitting and filing the record in this action with this Court expires on April 18, 1982.
3. Petitioner, through its counsel promptly ordered the transcript of the testimony upon its filing of the Order for Appeal, and its counsel has been advised by the County Board of Appeals of Baltimore County's stenographer, Ms. Carol Beresh, that due to the current level of work to be done by her, including the subject transcript, a thirty (30) day extension would be needed which would provide sufficient time for her preparation of the subject transcript and ultimate transmittal to this Court. Furthermore, the foregoing stenographer has authorized Petitioner's counsel to represent to this Court the foregoing statements.

WHEREFORE, your Petitioner prays that this Honorable Court grant an extension of thirty (30) days up to and including May 18, 1982, for the transmittal of the record of the County Board of Appeals of Baltimore County to this Court.

Bernard S. Denick
Bernard S. Denick

Anthony P. Palaigos
Anthony P. Palaigos

Blum, Yunkas, Mailman
& Gutman, P.A.
1800 Munsey Building
7 North Calvert Street
Baltimore, Maryland 21202
(301) 539-4151

Attorneys for Appellant/
Petitioner

CERTIFICATE OF SERVICE AND COMPLIANCE

I HEREBY CERTIFY, that on this 23rd day of March, 1982, a copy of the foregoing Motion and Application to Extend the Time For Transmission of Record, was mailed by first class mail, postage prepaid to the County Board of Appeals of Baltimore County Room 219, Court House, Towson, Maryland 21204; to Frederick E. Fauth, Pres., American Bottlers Equipment Co., Inc., 50 Gwynns Mill Ct., Owings Mills, Md. 21117, Protestant; Richard Ferber, Esq., 1100 Charles Center South, 36 South Charles Street, Balto., Md. 21201, Counsel for Protestant; Mr. Terry Holinsky, Saperstein, Holinsky & Strauss, 19 Walker Avenue, Pikesville, Md. 21208; Frank Nicoll, Jr., Property Investors Co., 100 Music Fair Road, Owings Mills, Md. 21117, Protestant; and John W. Hessian, III, Esq., Court House, Towson, Md. 21204, People's Counsel for Baltimore County.

Anthony P. Palaigos
Anthony P. Palaigos

Attorney for Appellant/
Petitioner

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- 2 -

of either the County Board of Appeals of Baltimore County's decision or the following findings made by the foregoing Board:

- That the Petitioner could expand its manufacturing lines in any direction;
- That a granting of this variance would establish a precedent for similar requests in industrial parks;
- That a granting of this variance would significantly alter the attractiveness of the industrial park; and
- That the Petitioner's proposed expansion would have a detrimental effect on the safety of vehicles exiting the Property.

12. That the County Board of Appeals of Baltimore County's decision was clearly erroneous as a matter of law and the Petitioner did establish that a practical difficulty existed and that the Petition for sideyard variance should have been granted.

13. There is no probative evidence before the County Board of Appeals of Baltimore County that Petitioner failed to establish the existence of a practical difficulty.

14. That your Petitioner has been irreparably harmed by the decision of the County Board of Appeals of Baltimore County.

WHEREFORE, your Petitioner respectfully requests:

- That this Honorable Court reverse the decision of the County Board of Appeals of Baltimore County and thereby grant the Petitioner's Petition for a sideyard variance; and
- For such other and further relief as may be appropriate.

Bernard S. Denick
Bernard S. Denick

Anthony P. Palaigos
Anthony P. Palaigos

Blum, Yunkas, Mailman
& Gutman, P.A.
1800 Munsey Building
7 North Calvert Street
Baltimore, Maryland 21202
(301) 539-4151

Attorneys for Appellant/
Petitioner

- 3 -

CHARLES YUNKAS
LLOYD S. MAILMAN
EDWARD J. GUTMAN
BERNARD S. DENICK
FRANK S. STRAUSS
MAX S. SAPERSTEIN
THOMAS A. HESSIAN
ROCHELLE S. EISENBERG
ANTHONY P. PALAIGOS
JACOB BLUM
COUNSEL

LAW OFFICES
BLUM, YUNKAS, MAILMAN & GUTMAN, P.A.
1800 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1884

March 19, 1982

HAND DELIVERED

Mr. Elmer H. Kahline, Jr.,
Clerk
Circuit Court for Baltimore County
County Court Building
401 Wesley Avenue
P.O. Box 6754
Towson, Maryland 21204-0754

Re: In the Matter of Universal Security Instruments, Inc.
Case No. 82-M-64, Docket No. 14, Folio No. 69

Dear Mr. Clerk:

Enclosed for docketing please find the Petition on Appeal accompanied with the Certificate of Compliance, to be filed in the above captioned matter pursuant to Maryland Rule of Procedure B2e.

I would therefore very much appreciate your prompt docketing of same and if I can be of any assistance, please do not hesitate to contact me.

Very truly yours,

Anthony P. Palaigos

APP:dmk
encl.

cc: County Board of Appeals
of Baltimore County

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CERTIFICATE OF SERVICE AND COMPLIANCE

I HEREBY CERTIFY, that pursuant to and in accordance with Rule B2e. of the Maryland Rules of Procedure, a copy of the foregoing Petition on Appeal was hand-delivered to the County Board of Appeals of Baltimore County, Room 219, Court House, Towson, Maryland 21204 on the 19th day of March, 1982.

Anthony P. Palaigos
Anthony P. Palaigos

Attorney for Appellant/
Petitioner

CERTIFICATE OF MAILING

I FURTHER CERTIFY, that on this 19th day of March, 1982, although not required to do so under the Maryland Rules of Procedure, I mailed, by first class mail, postage prepaid, a copy of the foregoing Petition on Appeal to Frederick E. Fauth, Pres., American Bottlers Equipment Co., Inc., 50 Gwynns Mill Ct., Owings Mills, Md. 21117, Protestant; Richard Ferber, Esq., 1100 Charles Center South, 36 S. Charles St., Balto., Md. 21201, Counsel for Protestant; Mr. Terry Holinsky, Saperstein, Holinsky & Strauss, 19 Walker Ave., Pikesville, Md. 21208; Frank Nicoll, Jr., Property Investors Co., 100 Music Fair Road, Owings Mills, Md. 21117, Protestant; and John W. Hessian, III, Esq., Court House, Towson, Md. 21204, People's Counsel for Baltimore County.

Anthony P. Palaigos
Anthony P. Palaigos

Attorney for Appellant/
Petitioner

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IN THE MATTER OF THE PETITION
OF UNIVERSAL SECURITY
INSTRUMENTS, INC. FOR VARIANCE
OF SIDEYARD REQUIREMENT
UNIVERSAL SECURITY INSTRUMENTS,
INC.
10324 South Dolfield Road
Owings Mills, Maryland 21117
Appellant/Petitioner

IN THE
CIRCUIT COURT
FOR
BALTIMORE COUNTY
AT LAW
Docket No: 14
Folio: 69
Case No: 82-M-64

PETITION ON APPEAL

Now comes your Petitioner, Universal Security Instruments, Inc., by and through its attorneys, Bernard S. Denick, Anthony P. Palaigos and Blum, Yunkas, Mailman & Gutman, P.A., pursuant to Maryland Rules of Procedure B2e, and respectfully represents unto this Honorable Court:

- Petitioner is the fee simple owner of a tract of land consisting of approximately eleven (11) acres and the improvements thereon, located in the Owings Mills Industrial Park, in Baltimore County, Maryland, more particularly known as 10324 South Dolfield Road ("Property").
- Petitioner, on or about June 2, 1981 filed with the Zoning Commissioner of Baltimore County its Petition for Zoning Variance requesting a sideyard variance of zero feet rather than the required thirty (30) feet to allow for expansion of the Petitioner's operations at the Property.
- Hearings were held before Deputy Zoning Commissioner, Jean M. H. Jung on July 30, 1981 and on August 3, 1981 at which time evidence and testimony was taken in support of the Petition as well as a physical inspection of the Property being taken by the Deputy Commissioner and all interested parties.
- On August 25, 1981, the Deputy Zoning Commissioner granted the Petitioner's Petition for Variance thereby granting to the Petitioner a sideyard variance of five (5) feet rather than the required thirty (30) feet.
- That on or about September 2, 1981, Frederick E. Fauth,

RE: PETITION FOR VARIANCE
SW corner of S. Dolfield Rd.
and New Plant Ct.
4th District
Universal Security Instruments, Inc.,
Petitioner-Appellant
File No. 82-M-64

IN THE
CIRCUIT COURT
FOR
BALTIMORE COUNTY
AT LAW
Misc. File No. 14
Folio No. 69
File No. 82-M-64

CERTIFICATE OF NOTICE

Mr. Clerk:

Pursuant to the provisions of Rule B-2(d) of the Maryland Rules of Procedure, John V. Murphy, Keith S. Franz, and Patricia Phipps, constituting the County Board of Appeals of Baltimore County, have given notice by mail of the filing of the appeal to the representative of every party to the proceeding before it; namely, Bernard S. Denick, Esq., and Anthony P. Palaigos, Esq., 1800 Munsey Bldg., 7 N. Calvert St., Balto., Md. 21202, Counsel for Petitioner; Universal Security Instruments, Inc., Michael Kovens, President, 10324 S. Dolfield Rd., Owings Mills, Md. 21117, Petitioner; Frederick E. Fauth, Pres., American Bottlers Equipment Co., Inc., 50 Gwynns Mill Ct., Owings Mills, Md. 21117, Protestant; Richard Ferber, Esq., 1100 Charles Center South, 36 S. Charles St., Balto., Md. 21201, Counsel for Protestant; Mr. Terry Holinsky, Saperstein, Holinsky & Strauss, 19 Walker Ave., Pikesville, Md. 21208; Frank Nicoll, Jr., Property Investors Co., 100 Music Fair Rd., Owings Mills, Md. 21117, Protestant; and John W. Hessian, III, Esq., Court House, Towson, Md. 21204, People's Counsel for Baltimore County, a copy of which Notice is attached hereto and prayed that it may be made a part thereof.

June Holmen
June Holmen
County Board of Appeals of Baltimore County
Rm. 200, Court House, Towson, Md. 21204
Telephone 494-3180

President of American Bottlers Equipment Company, took a timely Appeal of the decision of the Deputy Zoning Commissioner and in accordance therewith the matter was on or about October 21, 1981 assigned to the County Board of Appeals of Baltimore County.

6. On December 15, 1981 a hearing was held before John V. Murphy, Keith S. Franz and Patricia Phipps constituting the County Board of Appeals of Baltimore County at which time Petitioner submitted substantial testimony and documentary evidence establishing that a practical difficulty existed and that the Petitioner's Petition for the sideyard variance reducing the sideyard requirement from thirty (30) feet to five (5) feet should be granted.

7. The testimony presented by the Petitioner included among others, the testimony of the only unbiased witness in the whole proceeding which was that of John Dillon, Planner for Baltimore County Planning Department who concluded that after having inspected the Petitioner's Property during the hearing before the Deputy Zoning Commissioner, a practical difficulty existed and that the Petitioner's sideyard variance was justified.

8. The only probative evidence presented at the December 15, 1981 hearing before the County Board of Appeals of Baltimore County established that a practical difficulty existed and supported the Petitioner's Petition for a sideyard variance so as to enable the Petitioner to expand its operations by the addition of two (2) new manufacturing lines at the Property which could not be done by the Petitioner in the absence of the granting of such a variance.

9. That on February 24, 1982, the County Board of Appeals of Baltimore County issued its Opinion and Order denying the Petitioner's Petition for a sideyard variance.

10. That subsequently, on March 10, 1982, your Petitioner filed an Order for Appeal in a timely manner with this Court.

11. That the decision of the County Board of Appeals of Baltimore County denying the Petitioner's Petition for a sideyard variance was clearly erroneous, arbitrary and capricious in that there was no probative evidence of any kind whatsoever in support

Universal Security Instruments, Inc.
Case No. 82-28-A

2.

I HEREBY CERTIFY that a copy of the foregoing Certificate of Notice has been mailed to Bernard S. Denick, Esq., and Anthony P. Palaigos, Esq., 1800 Munsey Bldg., 7 N. Calvert St., Baltimore, Md. 21202, Counsel for Petitioner; Universal Security Instruments, Inc., Michael Kovens, President, 10324 S. Dolfield Rd., Owings Mills, Md. 21117, Petitioner-Appellant; Frederick E. Fauth, Pres., American Bottlers Equipment Co., Inc., 50 Gwynns Mill Ct., Owings Mills, Md. 21117, Protestant; Richard Ferber, Esq., 1100 Charles Center South, 36 S. Charles St., Balto., Md. 21201, Counsel for Protestant; Mr. Terry Holinsky, Saperstein, Holinsky & Strauss, 19 Walker Ave., Pikesville, Md. 21208; Frank Nicoll, Jr., Property Investors Co., 100 Music Fair Rd., Owings Mills, Md. 21117, Protestant; and John W. Hessian, III, Esq., Court House, Towson, Md. 21204, People's Counsel for Baltimore County, on this 12th day of March, 1982.

June Holmen
June Holmen
County Board of Appeals of Baltimore County

of the applicant," the court defined "practical difficulties or unnecessary hardships" as involving a "burden... upon the individual property" related to "its unique situation and the singular circumstances," which "would constitute an entirely unnecessary and unwarranted invasion of the basic right of private property." 93 A.2d, at 77. The denial of the exception was affirmed.

In Park Shopping Center v. Lexington Park Theatre Co., 216 Md. 271, 139 A.2d 841 (1958), the applicant had encroached upon the rear yard setback restrictions of St. Mary's County in constructing a one-story building adjacent to its theater. The extension into the rear yard was, moreover, contrary to the specific terms and conditions of the permits for use and occupancy.

The Board of Zoning Appeals granted the ensuing request for variance, primarily because of evidence that minor area violations were typically overlooked in the neighborhood. The Court of Appeals reversed, holding:

- 1) the existence of surrounding illegal or ill-advised variances is not a ground for an additional variance.
- 2) the criterion for "hardship and injustice," similar to "practical difficulty or hardship" was whether the restriction "applied to the property in the setting of its environment" unreasonably interfered with the basic right of private ownership. 216 Md., at 277, 139 A.2d at 846.

- 3) There was no showing that conformity with the ordinance would prevent a reasonable use of the property.

The variance was denied.

In Loyola Federal Savings and Loan Ass'n v. Bushman, 227 Md. 243, 176 A.2d 355 (1961), the applicant sought a height variance to build a six-story office building instead of the four obtainable under the existing Baltimore County limitations. The Court here gave a somewhat more liberal definition of "practical difficulty," as involving something less than confiscation, as it reviewed the grant by the County Board of Appeals, under these circumstances:

- 1) a subsurface water problem prevented use of the basement for parking and made necessary a rear parking deck; this, by limiting the normal building area, made it "uneconomic" to build a four-story building.

RE: PETITION FOR VARIANCE * COUNTY BOARD OF APPEALS
SOUTHWEST CORNER OF SOUTH *
DOLFIELD ROAD AND NEW PLANT *
COURT, 4TH DISTRICT *
UNIVERSAL SECURITY INSTRUMENTS, * BALTIMORE COUNTY
INC., Petitioner *
* Case No. 82-28-A

PETITIONERS' POST-HEARING MEMORANDUM

Universal Security Instruments, Inc., Petitioner, by its attorneys, Beirard S. Denick, Anthony P. Palaigos and Blum, Yumkas, Mailman & Gutman, P.A., respectfully submits this Memorandum in support of its Petition for Variance.

BACKGROUND

The Petitioner, is the fee simple owner of a tract of land containing approximately eleven (11) acres, and the improvements situated thereon, located in the Owings Mills Industrial Park, in Baltimore County, Maryland, the improvements thereon being more particularly known as 10324 South Dolfield Road ("the Property"). The Property is used for the research, development, manufacture, storage and sale of highly sophisticated electronic equipment. The Petitioner presently employs more than three hundred twenty five (325) persons at the Property.

The Petitioner as part of an overall physical expansion program resulting from the unforeseeable phenomenal growth of the Petitioners' business operations submitted a Petition to the Zoning Commissioner of Baltimore County requesting a variance from Sections 255.1 (Section 238.2) of the Zoning Regulations of Baltimore County. The Petitioner requested that the thirty (30) foot sideyard requirement be reduced to zero (0) feet so as to allow for the expansion of the Petitioners' building to the east of the existing facility to accommodate two (2) additional manufacturing lines. After an extensive hearing on July 30, 1981 and an on-site inspection of the Petitioners' Property on August 3, 1981 (both of which were attended by Mrs. Hess of the People's Counsel), Deputy Zoning Commissioner, Jean M. H. Jung granted

2) The evidence indicated that, by providing greater side yard setbacks than required, the design would compensate for any light and air lost by the additional height.

3) There was no evidence that the building would be unsuitable to the Towns business section; the parking design, moreover, was in accord with a "core" parking plan.

The variance was affirmed, on the ground that the evidence as to "practical difficulty" was fairly debatable.

The Court of Appeals then brought its experience with area variances to bear in the McLean case, supra, wherein the standard was outlined and articulated categorically for the first time. In that case, involving the Baltimore County side yard window setback regulations, the Petitioner underlined that in the absence of the variance, he could utilize the property to its maximum residential density only by destroying certain trees. The neighboring Protestant complained of invasion of his yard privacy.

In applying the standard (Page 3, supra), the Court of Appeals underlined the benefit to the land and the public of preserving the trees. It acknowledged that Petitioner was charged with knowledge of the sideyard requirements when he purchased the property, but this rule was said to have "less significance" in area than use variance cases. Finally, conceding that case was "close," the Court found there was sufficient evidence of "practical difficulty" to make the favorable finding of the County Board of Appeals fairly debatable.

Considering all of the above, we find no set or mechanical formula for deciding area variance cases. Some further definition of the criteria may, however, be stated. The line drawn between "convenience" and "practical difficulty" depends on some unique quality of the land, such as subsurface water conditions or location of trees. The specific benefit of the proposal to the existing neighborhood may involve such matters as consistency with a core parking plan or preservation of the ecology. In addition, the compliance of the proposal with the intent of the regulations may take into account actual effect on light and air, density, and other land use objectives.

The Maryland standard on area variances appears to conform with the prevailing law. A review of Anderson, American Law of Zoning, Sections 18.46-18.56, suggests that

the variance to permit a sideyard setback of five (5) feet in lieu of the required thirty (30) feet.

An appeal of that decision was taken by Frederick E. Fauth, President of American Bottler's Equipment Company ("Protestant") which resulted in this hearing before your Honorable Board. During the opening statement made by counsel for the Petitioner, Petitioner amended its Petition for variance requesting in lieu of the reduction of the thirty (30) foot sideyard requirement to zero (0) feet as contained in the original Petition before the Zoning Commissioner to the reduction of the thirty (30) foot sideyard requirement to five (5) feet as was granted by the Deputy Zoning Commissioner.

LEGAL STANDARD FOR VARIANCE

The Petitioners' request for a reduction in the sideyard requirements is what has been established in this jurisdiction as an area variance and not a use variance. Loyola Loan Association v. Bushman, 227 Md. 243, 176 A.2d 355 (1961). It is further well established in this jurisdiction that the standard or burden applicable for an area variance is the practical difficulty or unreasonable hardship standard. Anderson v. Board of Appeals, Town of Chesapeake Beach, Maryland, 22 Md. App. 28, 322 A.2d 220 (1974). As was stated in the Anderson case, a lesser burden is permitted when an area variance is requested because its impact is viewed as being much less drastic than that of a use variance.

The Maryland Court of Appeals, in the case of McLean v. Foley, 270 Md. 208, 309 A.2d 754 (1973) specifically held that Section 307 of the Baltimore County Zoning Regulations (the applicable section controlling this Petition) requires that the applicant need only satisfy the practical difficulty standard. The Court of Appeals in the McLean case, went on to identify the following three (3) criteria for determining whether "practical difficulty" has been established:

- "1. Whether compliance with the strict letter of the restrictions governing area, setbacks, frontage, height, bulk or density would unreasonably prevent the owner from using the property for a permitted purpose

"practical difficulty" may not be based on the permission of a more profitable use, a personal inconvenience, and are not generally designed to remedy builder's errors or self-created hardships.

A recent decision of the Supreme Court of Delaware is instructive. In Vassallo v. Penn Rose Civic Ass'n, 429 A.2d (Del. 1981), the Petitioner sought to convert his single family dwelling to apartment use. The record showed that Petitioner had constructed a second floor addition for the use of parents, but that upon their moving out, the building was larger than needed for the immediate family. The conversion necessitated relief from various area restrictions. Applying a test similar to that in McLean, the Court found that "the problem is a personal one and is not a problem inherent in the land itself or in the application of the zoning regulations to the land." 429 A.2d, at 172. Moreover, the hardship was "largely self-imposed." Accordingly, the variance was properly denied.

REVIEW OF THE USI VARIANCE

In the commercial context, the present request possesses all of those qualities which indicate that denial is appropriate.

The problem of facility expansion to meet growing volume is personal to the business. It is associated with the desire to increase profits, and has no relation to the land. Furthermore, the company undertook its operations in the existing facility with knowledge of the restrictions. In failing to foresee the dramatic rise in business, USI created its own problem, albeit one associated with prosperity.

At the same time, there is no perceptible benefit to the public. Such benefit as there is, increased production and employment, is personal to the business and the work force generally, but has no involvement with the immediate neighborhood. There is no land use plan or ecological objective to be advanced. At the same time, the spirit and intent of the regulations is jeopardized. This variance, if granted, stands as a precedent for the development of industrial parks with substandard setbacks, to the potential detriment of the common use of the park.

or would render conformity with such restrictions unnecessarily burdensome.

2. Whether a grant of the variance applied for would do substantial justice to the applicant as well as to other property owners in the district, or whether a lesser relaxation than that applied for would give substantial relief to the owner of the property involved and be more consistent with justice to other property owners.
3. Whether relief can be granted in such fashion that the spirit of the ordinance will be observed and public safety and welfare secured."

People's Counsel, in its Post-Hearing Memorandum to this Board, has represented that the problems of Petitioner involves a desire to increase its profits and a mere personal inconvenience to the Petitioner. They have further argued to this Board that the need for expansion to meet growing business demands or needs is something that is personal to the Petitioner and not something that should be considered as constituting a "practical difficulty". The only support for such a proposition offered by People's Counsel is the case of Vassallo v. Penn Rose Civic Association, 429 A.2d 168 (Delaware, 1981) which involved a residential property. People's Counsel final argument is that to grant this variance would establish a precedent for other industrial parks within Baltimore County. The aforementioned legal arguments assigned by People's Counsel in support of its position are not sufficient to warrant a denial of the Petitioners' request for an area variance.

The argument of precedent has no place in your determination of whether to grant or deny the Petitioners' request. The determination of whether a practical difficulty exists must be made on a case by case basis dependent on the facts and circumstances of each individual case. Wolf v. District of Columbia, Board of Zoning Adjustment, 397 A.2d 936 (District of Columbia, Court of Appeals, 1979).

The argument of facility expansion to meet business needs as being personal and not to be considered as a practical difficulty is also incorrect. In the case of Board of Adjustment of New

For all of the above reasons, the County Board of Appeals should deny the present variance petition.

John W. Hession, III
John W. Hession, III
People's Counsel for Baltimore County

Peter Max Zimmerman
Peter Max Zimmerman
Deputy People's Counsel
Rm. 223, Court House
Towson, Maryland 21204
494-2188

I HEREBY CERTIFY that on this 6th day of January, 1982, a copy of the foregoing Post-Hearing Memorandum was mailed to Anthony P. Palaigos, Esquire, Blum, Yumkas, Mailman & Gutman, P.A., 1800 Munsey Building, 7 North Calvert Street, Baltimore, Maryland 21202-1964, Attorney for Petitioner.

Peter Max Zimmerman
Peter Max Zimmerman

Castle County v. Kwik-Check Realty, Inc., 389 A.2d 1289 (Delaware, 1978), applying a test similar to that enunciated in the McLean case, the Supreme Court of Delaware, on page 1291 specifically stated,

"The inability to improve one's business, or to stay competitive as a result of area limitations, may be a legitimate exceptional practical difficulty that would justify a grant of a variance. Such practical difficulty is present where the requested dimensional change is minimal and the harm to the applicant if the variance is denied will be greater than the probable effect on neighboring properties if the variance is granted. Therefore, to determine if the difficulties presented by the owner are practical rather than theoretical, and exceptional rather than routine, (citations omitted), the Board should take into consideration the nature of the zone in which the property lies, the character of the immediate vicinity and the uses contained therein, whether, if the restriction upon the applicant's property were removed, such removal would seriously affect such neighboring property and uses; whether if the restriction is not removed, the restriction would create unnecessary hardship or exceptional practical difficulty for the owner in relation to his efforts to make normal improvements in the character of that use of the property which is a permitted use under the use provisions of the ordinance. (Emphasis Supplied)."

EVIDENCE AND TESTIMONY PRESENTED TO THE BOARD

The evidence and testimony presented to this Board during the hearing of December 15, 1981 clearly satisfied the practical difficulty standards of McLean as well as Kwik-Check Realty, and as a result, the variance should be granted.

The evidence established that due to unanticipated phenomenal growth in the business demands and operations of Petitioner, an overall expansion project was mandated. Part of this called for the addition of two (2) manufacturing lines which because of the existing layout and design of the Property (which is in substantially the same condition as when the Property was acquired) can only be added to the east requiring the granting of this variance. It was also established without contradiction, that the existing flow and ebb of the Petitioners' manufacturing process and operations dictated and in fact mandated that such manufacturing lines be constructed to the east requiring the proposed building expansion and the granting of the variance. Strict compliance

10/13/82

with the existing sideyard regulation would render Petitioners' use of the Property unnecessarily burdensome, and would not allow the Petitioner to improve its business operations to meet current demands and to stay competitive in the research, development, manufacture, storage and sale of highly sophisticated electronic equipment.

In fact, Mr. John Dillon of the Baltimore County Planning and Zoning Office, testified that a practical difficulty existed and that his office had no objections to the granting of the requested variance. Despite what is stated in the People's Counsel Post-Hearing Memorandum, the testimony and evidence identified in fact a benefit to the public if the variance was granted. The benefit being that if the variance were granted which would allow for the projected expansion of Petitioner, it would allow for centralized parking of vehicles of employees, visitors and customers and to remove such parking off the streets of the industrial park. Mr. Dillon testified that this would be of substantial benefit to the industrial park. It was further testified that there would be no damage to the industrial park if the requested variance were granted and could be done without any resulting injury to the public health, safety and general welfare of the public.

There was no testimony of any kind whatsoever from qualified persons that values of property within the subject industrial park would be jeopardized if Petitioners' variance request was granted. In fact, Petitioner itself would be damaged if such were to occur as it has substantial holdings both as an owner as well as a tenant in the Owings Mills Industrial Park. Protestant's own witness, William Burgmeister, who owns property in the park directly across from the Petitioner, testified that the granting of the subject variance would not have any detrimental effect on his property whatsoever.

CONCLUSION

The Petitioner, Universal Security Instruments, Inc., having satisfied its burden of proof as summarized above, the County

COUNTY BOARD OF APPEALS
Room 219, Court House
Towson, Maryland 21204

PETITION FOR VARIANCE
Southwest Corner of
S. Dolfield Road and
New Plant Court -- 4th
Election District
CASE NO. 82-28-A
PETITIONER: Universal
Security Instruments, Inc.

REQUEST FOR SUMMONS DUCES TECUM

TO THE COUNTY BOARD OF APPEALS:

Please issue Summons Duces Tecum to John J. Dillon, Jr., of the Office of Planning and Zoning for Baltimore County, County Courts Building, Towson, Maryland 21204, to testify for Universal Security Instruments, Inc., on Tuesday, December 15, 1981, at 11:00 a.m. at the County Board of Appeals, Room 219 Court House, Towson, Maryland 21204, and to produce and bring with him all records and documentation relating to the Petition for Variance to permit a sideyard setback of zero feet (0') in lieu of the required thirty feet (30') made by Universal Security Instruments, Inc.

Bernard S. Denick
Bernard S. Denick
Anthony P. Palaigos
Blum, Yunkas, Mailman & Gutman, P.A.
1800 Munsey Building
7 N. Calvert Street
Baltimore, Maryland 21202
539-4151
Attorneys for Universal Security
Instruments, Inc.

Mr. Sheriff:

Please issue the above summons.

Edith T. Eisenhart, Adm. Secretary
County Board of Appeals of Baltimore County

Board of Appeals should grant the Petitioners' Petition for Variance.

Bernard S. Denick
Bernard S. Denick
Anthony P. Palaigos
Blum, Yunkas, Mailman
& Gutman, P.A.
1800 Munsey Building
7 N. Calvert Street
Baltimore, Maryland 21202
539-4151
Attorneys for Petitioner

CERTIFICATE OF MAILING

I HEREBY CERTIFY, that on this 11th day of November, 1981, a copy of the foregoing Memorandum was mailed by first class mail, postage prepaid to Peter Max Zimmerman, Deputy People's Counsel, Room 223, Court House, Towson, Maryland 21204.

Bernard S. Denick
Bernard S. Denick
Anthony P. Palaigos
Blum, Yunkas, Mailman & Gutman, P.A.

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (hereinafter referred to as the "Agreement"), made this 11th day of November, 1981, between FRANK S. NICCOLL, JR., having an address at 10127 Owings Mills Road, Owings Mills, Maryland 21117 (hereinafter referred to as the "Seller"), and UNIVERSAL SECURITY INSTRUMENTS, INC., a corporation, having an address at 1800 Munsey Building, Baltimore, Maryland 21202 (hereinafter referred to as the "Buyer"), for the purchase of certain real estate, together with all covenants and agreements of title, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Seller hereby agrees to sell to the Buyer, and the Buyer hereby agrees to purchase from the Seller, all of that land, containing more or less, situate and lying in the Fourth Election District of Baltimore County, Maryland (hereinafter referred to as "the Property"), which is generally described and then bounded as follows: a plat attached hereto marked Exhibit A as described, or interest to be described, on Schedule A appended hereto.

TOGETHER WITH any and all improvements thereon and any and all rights, alleys, ways, waters, privileges, easements, appurtenances and advantages, to the same, together with all other appurtenant right of which the Buyer is ignorant and which are hereinafter referred to collectively as the "Improvements".

SAVING AND EXCEPTING THEREFROM, however, any and all right, title and interest in and to any and all land lying outside the boundaries of the Property (including, by way of example rather than of limitation, the beds of any streams, ponds or other water bodies located outside of and adjacent to such boundaries).

UPON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

Section 1. Purchase Price. The purchase price for the Property shall be

474-3163

County Board of Appeals
Room 219, Court House
Towson, Maryland 21204

Oct. 21, 1981

NOTICE OF ASSIGNMENT

NO POSTPONEMENTS WILL BE GRANTED WITHOUT GOOD AND SUFFICIENT REASONS. REQUESTS FOR POSTPONEMENTS MUST BE IN WRITING AND IN STRICT COMPLIANCE WITH BOARD RULE 2(b). ABSOLUTELY NO POSTPONEMENTS WILL BE GRANTED WITHIN FIFTEEN (15) DAYS OF SCHEDULED HEARING DATE IN ACCORDANCE WITH RULE 2(c), COUNTY COUNCIL BILL #108

CASE NO. 82-28-A
UNIVERSAL SECURITY INSTRUMENTS, INC.
S/W corner Dolfield Rd. and New Plant Ct.
4th District
Var. to permit a side yard setback of 0' in lieu of the required 30'
825 81 - D.Z.C. GRANTED variance w/restrictions
TUESDAY, DEC. 15, 1981, at 11 a.m.
ASSIGNED TO:
Bernard S. Denick, Esq.
Universal Security Instruments, Inc. Petitioner
Mr. Frederick Fauth
Protestant
Edward Foster, Esq.
Council for protestant
Mr. Frank P. Kelly, Jr.
Protestant
James D. Lucas, Jr.
J. Dyer
J. Jung
W. Hammond
Mr. E. Corlier
J. Murrell
J. W. Messing, Esq.
June Holmen, Secy.

June Holmen, Secy.

and shall be paid to the Buyer in the following manner:
The Buyer shall, before or at the Buyer's execution and delivery hereof, the Buyer has paid to the Seller the sum of (hereinafter referred to as "the deposit"). The Seller shall hold the deposit until the day it is to be refunded, credited or retained pursuant to the terms of this Agreement. At the settlement of the sale of the Property, the Buyer shall pay to the Seller the balance of the purchase price, less the deposit, in full. The Seller shall pay his share of settlement expenses pursuant to the provisions of Section 2.6 at closing by a separate check. The Note shall (a) contain provision for confession of judgment in the event of default, (b) bear interest from May 1, 1981 at the rate of ten percent (10%) per annum on the unpaid principal balance, (c) mature on January 4, 1982 and (d) prohibit pre-payment of principal or interest.

Section 2. Closing, Title, Possession and Adjustments.

2.1. Closing.

2.1.1. Closing shall take place on a day which is not later than forty-five (45) days after each and every condition precedent set forth in the provisions of Section 3 is satisfied or the satisfaction thereof waived by the party hereto having the benefit thereof, at a day, time and place, either in Baltimore City or Baltimore County, as determined by the Buyer but in no event later than October 31, 1981.

COUNTY BOARD OF APPEALS
Room 219, Court House
Towson, Maryland 21204

PETITION FOR VARIANCE
Southwest Corner of
S. Dolfield Road and
New Plant Court -- 4th
Election District
CASE NO. 82-28-A
PETITIONER: Universal
Security Instruments, Inc.

REQUEST FOR SUMMONS DUCES TECUM

TO THE COUNTY BOARD OF APPEALS:

Please issue Summons Duces Tecum to John J. Dillon, Jr., of the Office of Planning and Zoning for Baltimore County, County Courts Building, Towson, Maryland 21204, to testify for Universal Security Instruments, Inc., on Tuesday, December 15, 1981, at 11:00 a.m. at the County Board of Appeals, Room 219 Court House, Towson, Maryland 21204, and to produce and bring with him all records and documentation relating to the Petition for Variance to permit a sideyard setback of zero feet (0') in lieu of the required thirty feet (30') made by Universal Security Instruments, Inc.

COST \$ 5.00
SUMMONED 11/17/81
NON EST 12/15/81
NON SERV 12/15/81
COMPLANT 12/15/81
Bernard S. Denick
Bernard S. Denick
Anthony P. Palaigos
Blum, Yunkas, Mailman & Gutman, P.A.
1800 Munsey Building
7 N. Calvert Street
Baltimore, Maryland 21202
539-4151
Attorneys for Universal Security
Instruments, Inc.

Mr. Sheriff:

Please issue the above summons.

Edith T. Eisenhart, Adm. Secretary
County Board of Appeals of Baltimore County

2.1.2. Without altering or impairing the operation and effect of the provisions of Section 6 in the event of a default by a party hereto in performing its obligations hereunder, this Agreement shall automatically terminate at the close of business on October 31, 1981, if Closing does not take place on or before such day. Upon such termination, the parties hereto shall have such rights and/or liability as a result thereof as are set forth in the provisions of this Agreement.

2.2. Title. Title to the Property to be good and merchantable, in fee simple, subject to an American Land Title Association title binder or title policy acceptable to the Buyer and insurable at standard rates, free of liens and encumbrances except as specified herein and except: use and occupancy restrictions of public record which are generally applicable to properties in the immediate neighborhood or the subdivision in which the Property is located, and publicly recorded easements for public utilities and any other easements which may be observed by an inspection of the Property. If the Seller be unable to convey title to the Property, subject to the terms and conditions of this Paragraph, the Seller shall refund the Deposit to the Buyer and the Seller shall reimburse the Buyer for the title expenses incurred by the Buyer in connection herewith. The Buyer may, nevertheless, accept such title as the Seller may be able to convey with an appropriate reduction or allowance against the purchase price.

2.3. Deed of Conveyance. At Closing, the Seller shall convey to the Buyer the fee simple title to the Property by a Deed containing covenants of special warranties by the Seller that it has done nothing to encumber such title and will give such further assurances thereof as may be requisite. The Deed, to be prepared at the Buyer's expense, in form and substance suitable for recording purposes, shall be executed and delivered by Seller to the Buyer.

2.4. Survey. The Buyer, at its expense, shall have a registered land surveyor prepare a survey and metes and bounds

10/13/81

description of the Property, to be used in preparing a conveyance thereof. In the event such survey indicates the Property consists of 1.01 acres more, or less, than 1.545 acres, the Purchase Price shall be adjusted accordingly.

2.5. Possession and Burden of Risk. At Closing, the Seller shall deliver to the Buyer possession of the Property, free of any and all tenancies and other rights or claims of right to its use or occupancy. Until Closing, the Seller shall bear the risk of any damage to or destruction of the Property subject to the Buyer's obligations set forth in Section 5. The Seller hereby warrants to the Buyer, however, that the Property, in its condition on the date hereof, is zoned M.L. (manufacturing light), and that the time for filing any appeal of such zoning classification has expired.

2.6. Closing Costs; Adjustments.

2.6.1. The entire cost of any documentary stamp tax incurred in connection with the recordation of a deed from the Seller to the Buyer among the Land Records of the County shall be divided equally between the parties hereto. The entire transfer tax, if any, and any recording fee shall be paid entirely by the Buyer.

2.6.2. Rent and water rent shall be adjusted and apportioned as of date of settlement and all taxes, general or special, and all other public or governmental charges or assessments against the Property which are or may be payable on an annual basis (including Metropolitan District, Sanitary Commission or other benefit charges, assessments, liens or encumbrances for sewer, water, drainage or other public improvements completed or commenced on or prior to the date hereof, or subsequent thereto), are to be adjusted and apportioned as of May 1, 1981 and are to be assumed and paid thereafter by the Buyer, whether assessments have been levied or not as of date of settlement. The Seller warrants that the sum due by the Buyer as an adjustment for taxes for the period from May 1, 1981 to June 30, 1981 shall not exceed \$65.50.

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4.1.2. to pay any charge or fee imposed by any such governmental authority or public utility company for permitting any such connection benefitting the Property to be made (including, by way of example rather than of limitation, the charges for purchasing and installing the water meter for the Property); and

4.1.3. to extend to and within the Property any and all Utilities required by any governmental or quasi-governmental authority having jurisdiction over the Property or by any public utility company as a condition to its approval of the development of the Property in accordance with the provisions of this Agreement, or its issuance of any permit or approval covering any or all of the Property, or any other respect.

Section 5. Right of Entry. The Buyer and its agents, servants, contractors and subcontractors may, following execution of this Agreement by the Buyer and the Seller, enter the Property and while thereon (a) make surveys, (b) take measurements, (c) conduct test borings, other tests of surface and subsurface conditions, soil tests and structural and engineering studies, and (d) inspect the Property, all at the Buyer's expense. If the Buyer exercises its rights under the foregoing provisions of this Section, it shall (a) keep the Property free and clear of any and all liens or claims resulting therefrom; (b) indemnify the Seller against any claim or liability imposed or sought to be imposed upon the Seller for loss or damage to property and/or injuries to or death of persons arising therefrom; and (c) if Closing does not occur for any reason, reasonably restore the Property to its condition immediately before such exercise and deliver to the Seller copies of all such surveys, measurements and the results of all test borings, studies and inspections. The rights and obligations of the parties hereto under the provisions of this Section shall survive Closing.

Section 6. Default.

6.1. In the event the Seller shall fail to consummate

-8-

Section 3. Conditions Precedent To Closing. The Buyer's obligation hereunder to complete Closing shall be conditioned upon the satisfaction of each of the following conditions precedent:

3.1. The Property shall have been designated a separate subdivision lot for purposes of the County law governing the subdivision of land, on a subdivision plat recorded among the County Land Records. In connection therewith, and following execution of this Agreement, the Buyer shall begin, and thereafter prosecute to completion, all planning and engineering studies and all other information and planning required to be submitted to the proper authorities of the County in order that the Property may be designated a separate subdivision lot (in a manner acceptable to the Buyer) and susceptible to final recordation among the County Land Records and all plans and studies required prior to approval of development plans for the Property, as hereafter provided. The Seller shall not withhold approval, where the same is required, and shall cooperate with the Buyer (and execute, at no additional expense to the Buyer, such documents and plats as may be necessary in connection therewith) in expediting planning and engineering studies and applications for subdivision approval. The Buyer shall be responsible for all costs and expenses incurred in obtaining such subdivision or resubdivision approval. Anything to the contrary notwithstanding, if the requisite approval be not obtained by October 31, 1981 then, and in such event, the Buyer may terminate this Agreement and the Seller shall refund the Deposit promptly to the Buyer, less interest as set forth in Section 1.2.(b).

3.2. There shall have been issued to the Buyer at, or prior to, the Closing the requisite permits to develop the Property, and to increase the size of the improvements on the lot of ground hereafter more fully described in Section 3.9 of this Agreement (the "adjoining property"), for use in a manner acceptable to the Buyer, all without thereby violating the County Zoning Ordinance as

-5-

the transaction contemplated herein for any reason, except default by the Buyer, the Buyer may (a) cancel this Agreement and recover the Deposit or (b) seek specific performance of this Agreement.

6.2. In the event the Buyer shall fail to consummate the transactions contemplated herein for any reason, except the good faith failure of the Buyer to satisfy any of the conditions to the Buyer's obligations set forth in this Agreement, the Buyer shall forfeit the Deposit paid by the Buyer to the Seller and it shall be and become the property of the Seller, such sum being agreed upon as liquidated damages for the failure of the Buyer to perform the duties and obligations imposed upon the Buyer by the terms and provisions of this Agreement and because of the difficulty, inconvenience and uncertainty of ascertaining actual damages; and no other damages, rights or remedies shall in any case be collectible, enforceable or available to the Seller other than as provided in this Paragraph, and the Seller agrees to accept and take the Deposit as its total damages and relief hereunder in such event. No delay or omission in the exercise of any right or remedy accruing to the Seller upon any breach by the Buyer under this Agreement shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. If the Buyer, following a good faith effort, be unable to cause, to its satisfaction, and at its expense, the occurrence of the conditions set forth in Sections 3.1, 3.2, 3.6 and 3.7 then and in such event, the Buyer may cancel this Agreement and recover the Deposit, less interest as specified in Section 1.2.(b). The waiver by the Seller or the Buyer, as the case may be, of any condition or the breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein contained by such party.

Section 7. Notices. Any notice, demand, consent, approval, request or other communication or document to be provided

-9-

it is in effect (and as the Seller has warranted in this Agreement) at the date of this Agreement and through and including Closing.

3.3. There is no pending or threatened condemnation or similar proceeding affecting the Property or any portion thereof, nor has the Seller knowledge that any such action is presently contemplated; however, should the Seller, following the date of this Agreement, receive notice, or otherwise acquire knowledge, of any such pending or threatened condemnation or similar proceeding affecting the Property Seller, within five (5) days of the receipt of such notice, or otherwise acquiring such information, shall communicate the same to the Buyer. In such instance, the Buyer shall have the right to either a prompt refund of the Deposit or, in the alternative, a pro-rata reduction in the purchase price of the Property.

3.4. The Seller is in compliance with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to and affecting the Property.

3.5. There are no legal actions, suits or other legal or administrative proceedings, including condemnation cases, pending or threatened against the Property.

3.6. Notwithstanding anything contained herein to the contrary, the Seller and the Buyer hereby agree that the Buyer's performance under this Agreement is contingent upon the County Council of the County enacting legislation authorizing the County to participate in a Maryland Industrial Development Financing Authority (MIDFA) partially insured financing of the Buyer's acquisition of the Property, construction of such improvements on the Property and construction of such additional improvements on the adjoining property, as the Buyer may so elect, by authorizing, issuing, selling and delivering its MIDFA partially insured industrial development revenue bonds pursuant to Sections 13-10.

-6-

hereunder to a party hereto (a) shall be in writing, and (b) shall be (i) sent as certified or registered mail in the United States mails, postage prepaid, return receipt requested, to the address of such party which is set forth herein above or to such other address in the United States of America as such party may designate from time to time by notice to the other, or (ii) (if such party's receipt thereof is acknowledged in writing) given by hand or other actual delivery to such party.

Section 8. Commissions. The Seller and the Buyer agree, each with the other, that this Agreement was brought about, and entered into, without the assistance or intervention of a broker and, therefore, there is no broker or other party entitled to a fee or commission in connection with the consummation of settlement pursuant to this Agreement. The Seller and the Buyer each shall save, defend, indemnify and hold the other harmless from and against any and all claims for commission resulting from the execution of this Agreement and the consummation of settlement hereunder.

Section 9. General.

9.1. Effectiveness. This Agreement shall become effective upon and only upon its execution and delivery by each party hereto.

9.2. Complete Understanding. This Agreement represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior negotiations, representations, guaranties, warranties, promises, statements or agreements, either written or oral, between the parties hereto as to the Property, the condition thereof or any other matter whatsoever, made or furnished by any agent, employee or other person representing or purporting to represent either party hereto.

9.3. Amendment. This Agreement may be amended by and only by an instrument executed and delivered by each party hereto.

-10-

through 13-155, inclusive, of Financial Institutions of the Annotated Code of Maryland, effective July 1, 1980, as amended, and the purchase of such bonds by a lender upon terms and conditions acceptable to the Buyer and to MIDFA. The legislation shall be in form and substance satisfactory to the Buyer.

3.7. The receipt by the Buyer of acceptable test boring reports. The Buyer shall order such borings, at its expense, within forty-five (45) days after the date of this Agreement. Seller has given to the Buyer, at or prior to the date of this Agreement, a copy of the test borings made by ATEC Associates, Inc. for the Manekin Corporation and a copy of the topographic survey, part of Parcel E, Section 2, dated May 11, 1979.

3.8. Within seventy (70) feet of one of the exterior lines of the Property are existing Utilities (as hereafter defined), adequate for the Buyer's intended use and development of the Property.

3.9. There shall be no hiatus between the Property and that lot of ground and the improvements thereon which the Buyer caused the County to purchase from Monumental Enterprises, Inc. by Deed dated May 31, 1977 and recorded among the Land Records of the County subsequent thereto, pursuant to Ordinance No. 62-77 enacted by the County Council, so that the Buyer, its successors and assigns, shall have full and free rights of ingress, egress and regress, between the Property and the lot of ground described in the aforementioned Deed.

Section 4. Buyer Improvements.

4.1. It shall be the Buyer's sole responsibility

4.1.1. to make any connection to any of the sanitary sewer lines, public water mains, storm drains and electrical and telephone service lines and facilities (herein referred to collectively as "Utilities") and to obtain any governmental approval of such grading, construction of the improvements or connection which is necessary;

-7-

9.4. Waiver. No party hereto shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and, without limiting the generality of the foregoing, no delay or omission by any party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made in any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

9.5. Applicable Law. This Agreement shall be given effect and construed by application of the law of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland.

9.6. Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

9.7. Exhibits. Each writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part hereof.

9.8. Operation and Effect. Subject to the operation and effect of this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns in interest hereunder.

9.9. Severability. No determination by any court, governmental or administrative entity or otherwise that any provision of this Agreement or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other provision thereof, or (b) such provision in any instance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

-11-

9.10. Time of Essence. Time is of the essence of this Agreement.

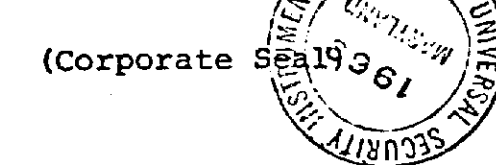
IN WITNESS WHEREOF, each party hereto has executed and caused this Agreement or caused it to be executed and sealed on its behalf by its duly authorized party, the day and year above first written.

WITNESS:

Christie Hammond
Frank S. Nicoll, Jr. (S. L.)
SELLER

ATTEST:

Michael L. Kovens
By *Michael L. Kovens*, President
UNIVERSAL SECURITY INSTRUMENTS, INC.
BUYER

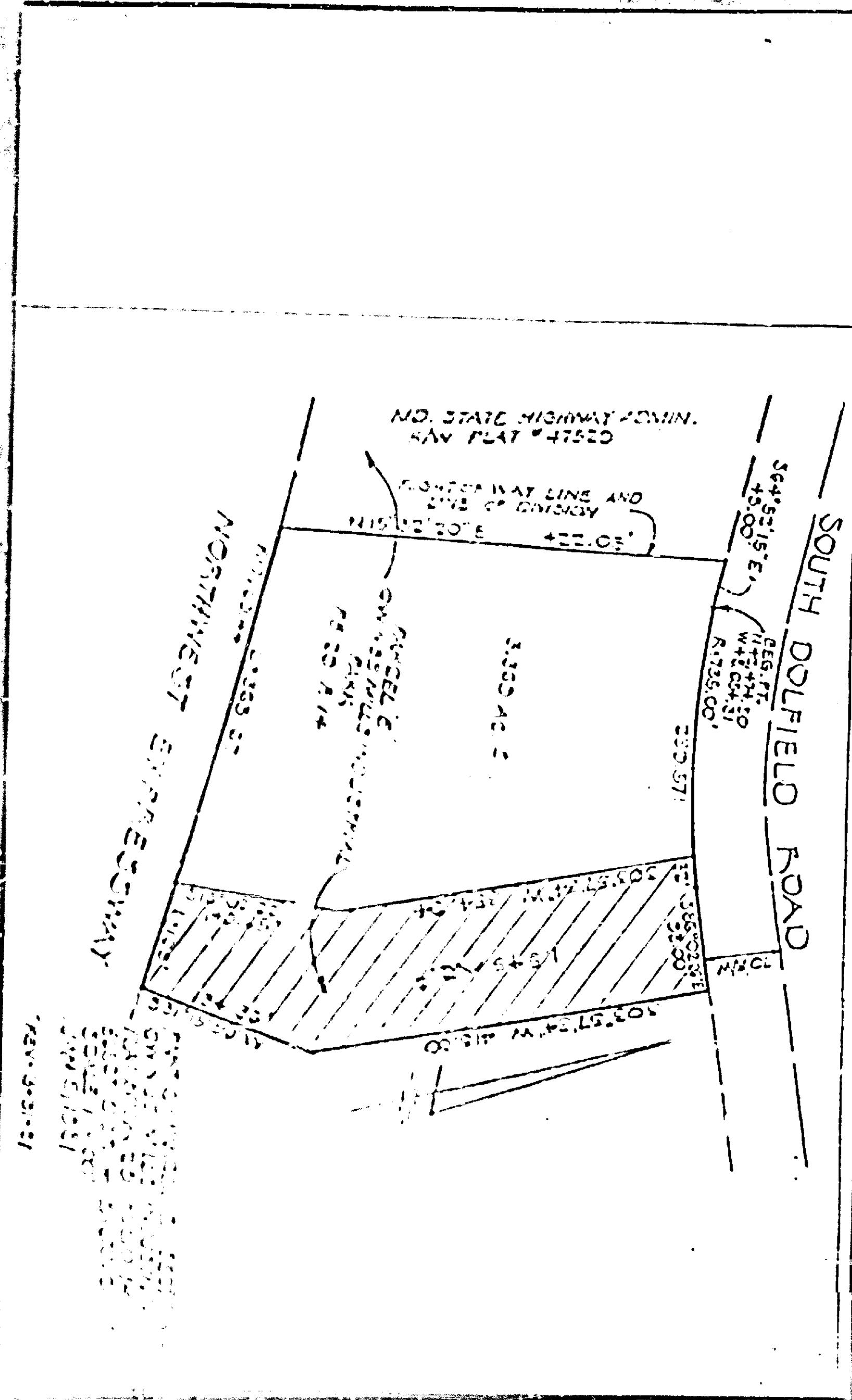


-12-

DESCRIPTION OF PART OF PARCEL E: Designated as "U.S.I. PARCELS" Outline in blue on attached plat.

Beginning for the same at a point on the south right-of-way line of South Dolfield Road as laid out 70 feet wide said point being at the end of the eighth line described in a deed dated May 31, 1977 and recorded among the land records of Baltimore County in Liber 5758, Folio 352 which was conveyed by Monumental Enterprises, Inc. to Baltimore County, Maryland thence binding reversely on said eighth line and reversely on the seventh line in the last mentioned corner, thence the two following courses and distances viz: (1) South 03 degrees 57 minutes 34 seconds West 418.00 feet (2) South 31 degrees 15 minutes 50 seconds West 134.36 feet to the north side of the Northwestern Expressway as shown on the plat of Section 2, Owings Mills Industrial Park recorded among the aforesaid land records in Plat Book 29, Folio 14 thence binding thereon by a curve to the left having a radius of 7,89.44 feet for an arc length of 103.00 feet said arc being subtended by a chord bearing North 60 degrees 49 minutes 40 seconds West 108.00 feet thence for two lines of division through Parcel "E" as shown on the above mentioned plat: (1) North 16 degrees 02 minutes 12 seconds East 140.25 feet (2) North 03 degrees 57 minutes 34 seconds East 354.94 feet to the south side of the aforementioned South Dolfield Road thence binding thereon the two following courses and distances viz: (1) by a curve to the left having a radius of 735.00 feet for an arc length of 32.00 feet said arc being subtended by a chord bearing South 85 degrees 10 minutes 58 seconds East 32.00 feet (2) South 86 degrees 02 minutes 26 seconds East 98.00 feet to the point of beginning. Containing 1.545 Acres of land more or less.

Being a part of Parcel "E" as shown on the plat of Section 2, Owings Mills Industrial Park recorded among the plat records of Baltimore County in Plat Book 29, Folio 14. Subject to a 15 Ft. drainage & utility easement on the third 108.00 ft. line.



MICHAEL L. KOVENS
10324 S. Dolfield Road
Owings Mills, Maryland 21117

April 13, 1981

Mr. Frank S. Nicoll, Jr.
100 Music Fair Road
Owings Mills, Maryland 21117

Dear Mr. Nicoll:

Reference is made to an Agreement of Sale (the "Agreement") between yourself and Universal Security Instruments, Inc. (the "Buyer"), dated even date herewith, for the sale and purchase of 1.545 acres, more or less, situate and lying in the Fourth Election District of Baltimore County, Maryland (the "Property").

If the Buyer does not consummate settlement for the Property because of the Buyer's inability to satisfy the provisions of Section 3.6 of the Agreement then, and in such event, the writer will purchase the Property, or cause the same to be purchased from you, for the purchase price set forth in the Agreement by the Buyer, pursuant to the Agreement, provided you accept from such purchaser, at the time of settlement, a purchase money mortgage evidencing and securing the deferred portion of the purchase price with interest, on the declining principal balance, at the rate of ten per cent (10%) per annum, payable quarterly, accounting hereto. The purchase money mortgage, prepared on the form of such document in use, at such time, by Safeco Title Insurance Company of Maryland (formerly known as The Title Guarantee Company) also shall provide for principal payments of \$18,000 each on each subsequent annual anniversary of the date of settlement with the right of the purchaser to prepay the principal indebtedness, in whole or in part, without penalty, at any time subsequent to January 6, 1982.

Settlement shall take place within 30 days following the Buyer receiving notice that it is unable to satisfy the condition of Section 3.6 of the Agreement and at a day, time and place either in Baltimore City or Baltimore County as determined by such purchaser.

Except as herein provided, and except for Sections 3.1 and 3.2, the remaining terms and conditions of the Agreement shall apply to the writer purchasing the Property, or causing the Property to be purchased, from you.

Kindly evidence your consent to the terms and conditions herein set forth by signing a copy of this letter and returning it to me.

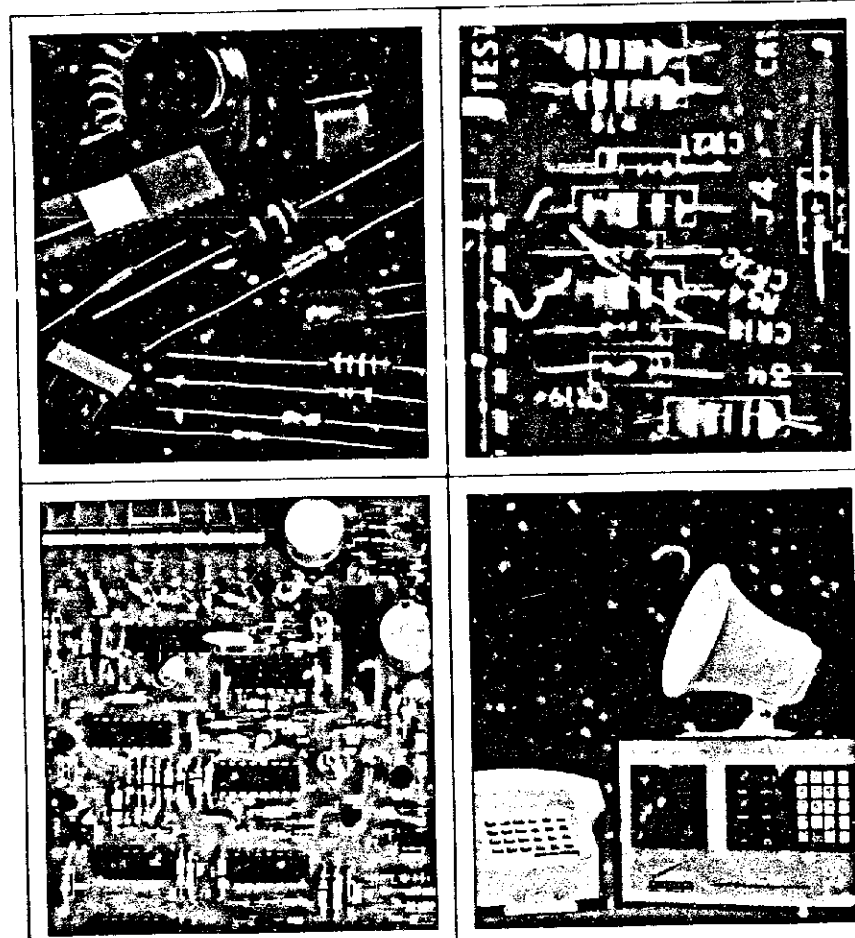
WITNESS

Christie Hammond
Very truly yours,
Michael L. Kovens
Michael L. Kovens

The terms and conditions set forth above are accepted and agreed upon by the undersigned this 13th day of April, 1981.

Christie Hammond
WITNESS
Frank S. Nicoll, Jr. (SEAL)

UNIVERSAL SECURITY INSTRUMENTS, INC.



1981 ANNUAL REPORT

BALTIMORE COUNTY, MARYLAND

INTER-OFFICE CORRESPONDENCE

Mr. W. E. Hammond
Zoning Commissioner
TO: Mr. W. E. Hammond
FROM: Mr. W. E. Hammond
SUBJECT: Petition No. 82-23-A Item 227

Petition for Variance
Southwest corner of South Dolfield Road and New Plant Court
Petitioner - Universal Security Instruments, Inc.

Fourth District

HEARING: Thursday, July 20, 1981 10:30 A.M.

This office is opposed to the granting of the subject request. A portion of the tract is vacant. If the addition were made in another location, the vacant portion of the tract could be used for additional parking needs.

NEG:JCH:ab

Maryland Department of Transportation

James J. O'Donnell
Secretary
W. S. Eastler
Assistant

August 3, 1981

Mr. William Hammond
Zoning Commissioner
County Office Building
Baltimore, Maryland 21202
Attention: Mr. V. Commodari
Re: Z.A.C. Meeting of 6/2/81
ITEM: #227
Property Owner: Universal Security Instruments, Inc.
Location: SW/Cor. South Dolfield Road & New Plant Court
Existing Zoning: M1
Proposed Zoning: Variance to permit a sideyard setback of 0' in lieu of the required 30'.
Acreage: 4.430
District: 4th

Dear Mr. Hammond:

Attached is a copy of a plat for Section Two - Parcel "E" of the Owings Mills Industrial Park located along the west side of New Plant Court in Baltimore County.

The State Highway Administration - Bureau of Highway Design has indicated the location of the right of way line of through lanes for the Northwest Expressway project in relation to the subject Parcel "E".

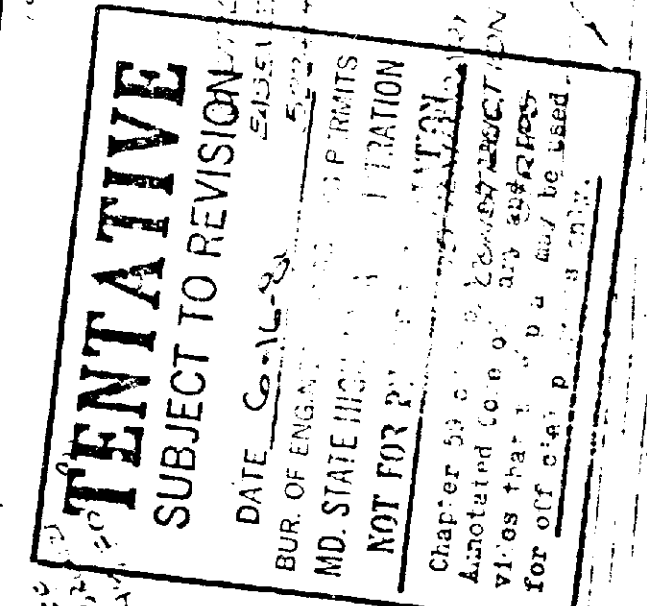
The right of way line for the Northwest Expressway is the same as the two (2) property lines along the south edge of Parcel "E".

Please note that this information is tentative and subject to change.

Very truly yours,
Charles Lee, Chief
Bureau of Engineering
Access Permits

By: George Wittman

My telephone number is (301) 619-1350



RIGHT OF WAY LINE AND LINE OF DIVISION

4/13/81

HIGH TECHNOLOGY PRODUCTS

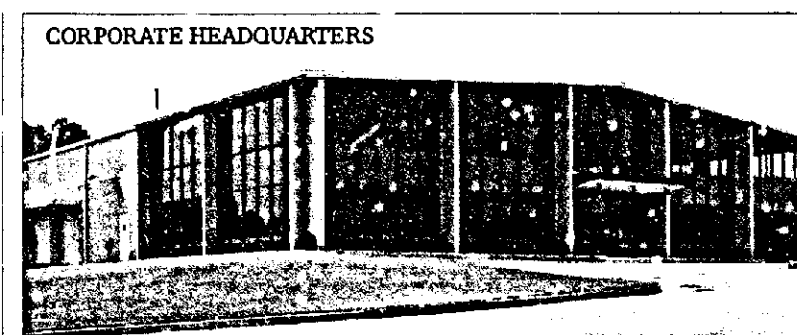


BUSINESS
Universal Security Instruments, Inc. designs, manufactures and markets popular priced security and telecommunications products. The Company is recognized as one of the world's leading makers of residential, vehicle and commercial security devices and systems. The Company's products are distributed throughout the United States and many foreign countries. The Company's shares are traded in the over-the-counter market under the NASDAQ symbol USEC.

Corporate Headquarters
Universal Security Instruments, Inc.
10324 South Dolfield Road
Owings Mills, Maryland 21117 USA
Telephone: (301) 363-3000
Cable: "UNIVERSAL"
Telex: 8-7675

Opposite Page: Depicted are four of our most popular products. Clockwise, beginning at the upper left hand corner are: the Teton™ alarm, ULTRAR™ ultrasonic space protection alarm, Intelli-Phone™ multi function computer telephone, and Tote & Talk™ cordless home telephone.

HIGHLIGHTS



FINANCIAL HIGHLIGHTS

	1981	1980	1979
Sales	\$13,564,805	\$7,886,217	\$6,443,556
Net Income (Loss)	\$ 664,074	(\$ 267,358)	(\$1,094,736)
Earnings (Loss)			
Per Share	\$.28	(\$.11)	(\$.46)

**Adjusted for three for two stock split discussed in Note 12 to Financial Statements.*

BOARD OF DIRECTORS
Stephen Knepper, Chairman
Michael Kovens, President
Irvin Kovens, President of Parkway Machine Corp., Baltimore, Maryland (Distributor of Vending Machines)
Zelig Robinson, Attorney-Partner in the law firm of Gordon, Feinblatt, Rottman, Hoffberger & Hollander, Baltimore, Md.
Judge Marvin Land, of Counsel to the law firm Weinberg and Green, Baltimore, Md.

CORPORATE OFFICERS
Stephen Knepper, Chairman of the Board
Michael Kovens, President
Sanford Olshansky, Vice President of Marketing
Hubert Mazzacca, Vice President of Sales
Stanley W. Katz, Vice President, Chief Financial Officer
Irvin Kovens, Secretary & Treasurer
Ramon Hacker, Assistant Treasurer

1

Baltimore County
Department of Traffic Engineering
TOWSON, MARYLAND 21204
(301) 494-3550

STEPHEN E. COLLINS
DIRECTOR

August 26, 1981

Mr. William Hammond
Zoning Commissioner
County Office Building
Towson, Maryland 21204

Dear Mr. Hammond:

The Department of Traffic Engineering has no comments regarding items number 218, 219, 220, 221, 222, 223, 224, 225, 227, and 228.

Michael S. Flanagan
Traffic Engineering Associate II

MSF/jem

BALTIMORE COUNTY
OFFICE OF PLANNING AND ZONING
TOWSON, MARYLAND 21204
494-3211
NORMAN E. GERDER
DIRECTOR

July 29, 1981

Mr. William Hammond, Zoning Commissioner
Zoning Advisory Committee
Office of Planning and Zoning
Baltimore County Office Building
Towson, Maryland 21204

Dear Mr. Hammond:

Comments on Item #227, Zoning Advisory Committee Meeting, June 2, 1981, are as follows:

Property Owner: Universal Security Instruments, Inc.
Location: SW/cor South Dolfield Road and New Plant Court
Acres: 4.450
District: 4th

This office has reviewed the subject petition and offers the following comments. These comments are not intended to indicate the appropriateness of the zoning in question, but are to assure that all parties are made aware of plans or problems with regard to development plans that may have a bearing on this petition.

This petition meets the requirements of the Division of Current Planning and Development.

Very truly yours,

John L. Wimbley
John L. Wimbley
Planner III
Current Planning and Development

CHARLES YUMKAS
LLOYD S. MAILMAN
EDWARD J. GUTMAN
BERNARD S. DENICK
FRANK S. ASTROTH
MAX S. STADFIELD
THOMAS A. BAKER
ROCHELLE S. EISENBERG
ANTHONY P. PALAIGOS
JACOB BLUM
COUNSEL

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P.A.
1600 MUNSEY BUILDING
7 NORTH CALVERT STREET
BALTIMORE, MD. 21202-1964

TELEPHONE
539-4151
AREA CODE 301

October 15, 1981

Chairman,
County Board of Appeals
Room 200
Courthouse
Towson, Maryland 21204

Re: Petition for Variance
SW/Corner of South Dolfield Road
and New Plant Court - 4th Election District
Case No. 82-28-A (Item - 227)
UNIVERSAL SECURITY INSTRUMENTS, INC.

Dear Mr. Chairman:

On September 2, 1981 an appeal was taken by Frederick E. Fauth, President of American Bottlers Equipment Co. of the decision rendered by Joan M. H. Jung, Deputy Zoning Commissioner, granting the variance.

I have been advised by your office that it would probably be early winter 1982 at the earliest before this appeal could be heard.

It is requested by this letter that this appeal, if at all possible be heard as soon as possible before the early winter of 1982. The variance request was part of an overall expansion project by Universal which is now delayed as a result of the appeal. This expansion project also involves the use of Industrial Revenue Bond financing which could also be placed in jeopardy as a result of a delay in the appeal process. Extreme hardship is now being placed on Universal as a result of the appeal and any process which would allow for the speedy resolution of the appeal would be greatly appreciated.

If therefore, this appeal can be heard as soon as possible it would be greatly appreciated.

Very truly yours,

Anthony P. Palaigos

APP:dmk
cc: Stanley W. Katz, Vice-President
Universal Security Instruments, Inc.
William E. Hammond, Zoning Commissioner
James Lucas

CHARLES YUMKAS
LLOYD S. MAILMAN
EDWARD J. GUTMAN
BERNARD S. DENICK
FRANK S. ASTROTH
MAX S. STADFIELD
ROCHELLE S. EISENBERG
ANTHONY P. PALAIGOS
JACOB BLUM
COUNSEL

LAW OFFICES
BLUM, YUMKAS, MAILMAN & GUTMAN, P.A.
10 LIGHT STREET
SUITE 2900
BALTIMORE, MD. 21202

TELEPHONE
539-4151
AREA CODE 301

August 10, 1981

Ms. Jane Marie Junc,
Deputy Zoning Commissioner
of Baltimore County
County Office Building
Towson, Maryland 21204

RE: CASE NO: 82-28-A
Petitioner: Universal Security
Instruments, Inc.

Dear Ms. Junc:

Enclosed for inclusion in the record of the above-captioned zoning variance proceedings is the Memorandum of Facts and Legal Argument in support of the Petitioner's variance request.

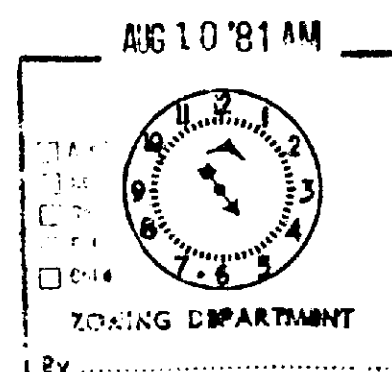
Would you therefore please accept same for inclusion and carefully review same in your deliberations.

Very truly yours,

Anthony P. Palaigos

cc: Mr. Stanley Katz, Vice President
Universal Security Instruments, Inc.
10324 S. Dolfield Road
Owings Mills, Maryland 21117

John W. Hessian, III, Esquire
People's Council for Baltimore County
Room 223, Court House
Towson, Maryland 21204



PETITION FOR VARIANCE
S.W. CORNER OF SOUTH
DOLFIELD ROAD AND
NEW PLANT COURT
(4th DISTRICT)

PETITIONER: UNIVERSAL SECURITY
INSTRUMENTS, INC.

BEFORE THE ZONING
COMMISSIONER OF
BALTIMORE COUNTY

CASE NO: 82-28-A

MEMORANDUM OF FACTS AND LEGAL ARGUMENT

IN SUPPORT OF PETITIONER'S REQUEST FOR ZONING VARIANCE

Submitted by:

Bernard S. Denick

Anthony P. Palaigos
Blum, Yumkas, Mailman & Gutman, P.A.
10 Light Street
Suite 2900
Baltimore, Maryland 21202
539-4151

Attorneys for Petitioner

A. BACKGROUND

The Petitioner, Universal Security Instruments, Inc., is the fee simple owner of a tract of land containing approximately eleven (11) acres, and the improvements situated thereon, located in the Owings Mills Industrial Park, in Baltimore County, Maryland, the improvements thereon being more particularly known as 10324 S. Dolfield Road ("the Property"). The Property is used for the research, development, manufacture, storage and sale of highly sophisticated electronic equipment. The Petitioner presently employs more than 325 persons at the Property.

The Petitioner, as part of an overall physical expansion program, recently submitted a petition to the Zoning Commissioner of Baltimore County requesting a variance from Section 255.1 (Section 238.2) of the Zoning Regulations of Baltimore County. The aforementioned regulation requires that each property maintain a sideyard of no less than thirty feet (30'). The Petitioner has requested that the 30 foot sideyard requirement be reduced to zero feet so as to allow for the expansion of the Petitioner's building to the east of the existing facility to accommodate additional manufacturing lines.

In accordance with applicable rules and regulations, the petition was properly and timely advertised and the property posted in the required manner.

A hearing was held July 30, 1981 before Jane Marie Junc,

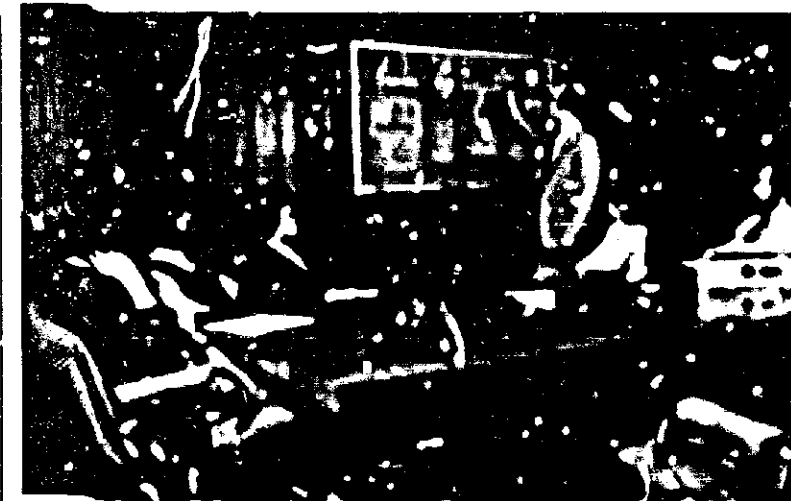
REVIEW OF OPERATIONS

MARKETING

U.S.I.'s marketing philosophy is very important to the Company's success. The marketing department is responsible for coordinating new product ideas with perceived market demands, developing programs for the introduction of new products, and providing the necessary product support to insure retail sell-through.

The Company continues to excel in the development of attractive packaging for its products. It recognizes that its products must be eye-catching and self-explanatory to facilitate sales.

Our in-house art department produces imaginative advertising and promotional material to support the Company's sales program.



In-House Art Department

REVIEW OF OPERATIONS

SALES AND CUSTOMER SERVICE

U.S.I. is known throughout the country as a leading manufacturer of high quality, precision instruments. The Company's products are sold throughout North and South America, Europe, Africa and Asia, and are used by some of the largest departments stores, including the services, distributors and specialty chains in the world.

The Company includes its products in a variety of trade shows including specialized organizations for Consumer Electronics, Home Goods, Hardware and Automotive Parts and Accessories.

The Company's sales and service staffs are highly trained and experienced in the sale of its products, and are responsible for maintaining and expanding its sales.



Sales and Customer Service

the 25 parking spaces, testimony indicated that 212 spaces will be available on the western side of the complex. Furthermore, the alleged criticism of American Bottling is incorrect as the requested variance is for the expansion to the east and not to the west bordering the American Bottling property.

Katz and Schwartz both testified that the exterior facade of the proposed eastward expansion will be aesthetically more pleasing and of better quality than the existing facility, thereby enhancing the appearance of the entire corner. The height of the proposed addition will conform to the height of the existing facility. There will not be any obstruction of light or air to the adjoining property owners if the variance is granted.

As an alternative to the variance requested, Schwartz stated that substantial relief from the existing sideyard requirements could be afforded the Petitioner if the requested variance of zero feet (0') was relaxed to five feet (5') thereby resulting in exterior dimensions of the proposed addition to the east being 45' x 100'. The compromise to the variance request would provide the Petitioner with space for two new manufacturing lines with a width of 22 feet per line, still meeting the minimum industry standards. However, any further reduction in the width of the proposed addition to the east would render the expansion impossible and probably cause the Petitioner to seek another location outside the County.

3. Criteria No. 3

The granting of the variance will not result in any substantial injury to the public health, welfare and safety of County persons nor will such be compromised in any manner or fashion. The testimony presented indicated that public health, welfare and safety will be improved by the proposed expansions.

First, Katz and Schwartz both testified that the exterior facade of the proposed addition to the east will be of better quality and aesthetically more attractive than the facade of the existing facility and will be constructed in compliance with the covenants of the Painters Mill Industrial Park. The corner of New Plant Court and Dolfield Road, to the front of the proposed expansion, will remain landscaped as it currently exists and subsequently will be improved with the planting of shrubbery and dogwood trees. The overall appearance and beauty of the facility and corner will be enhanced as a result of the expansion.

Second, as a result of the overall plant expansion, the receiving and shipping department will be moved from the area of New Plant Court to the western side of the building thereby reducing truck traffic on New Plant Court.

Third, employee parking will be centrally located to the west of Petitioner's facility, with ingress and egress from Dolfield Road. Parking by company employees on Dolfield Road and New Plant Court will be eliminated. The proposed eastern expansion will not obstruct the

view of motorists entering and exiting the facility onto New Plant Court.

Finally, the variance will allow the proposed expansion to both the east and west of Petitioner's facility and will improve the public health, welfare and safety of County persons. The proposed expansion will provide a safer facility in which to work. The August 19, 1981, hearing on the variance is the key to the overall expansion of Petitioner's facility at the present location. The overall expansion and subsequent increase in employment will improve the public health, welfare and safety of the citizens, thereby representing the public interest of the zoning ordinance.

CONCLUSION

The Petitioner, having established that a practical difficulty exists for the reasons stated above, and as evidenced by the testimony and exhibits at the hearing, it is requested that the County is entitled to the granting of the sideyard variance requested.

Respectfully Submitted,

[Signature]
Bernard S. Denick

BERNARD S. DENICK
ATTORNEY AT LAW
10 LIGHT STREET
SUITE 2900
BALTIMORE, MARYLAND 21202
TELEPHONE 538-4151
AREA CODE 301

PETITION FOR ZONING VARIANCE

I, Bernard S. Denick, do hereby certify that on August 19, 1981, a hearing was held before the Zoning Commission of Baltimore County on the Petitioner's request for a Zoning Variance was held by first class mail, postage paid to Bernard S. Denick, III, Esquire, 10 Light Street, Suite 2900, Baltimore, Maryland 21202, and that the following was the substance of the hearing:

[Handwritten signature]
Bernard S. Denick

LAW OFFICES
AS. MAILMAN & GUTMAN, P.A.
10 LIGHT STREET
SUITE 2900
BALTIMORE, MD 21202

TELEPHONE
538-4151
AREA CODE 301

BERNARD S. DENICK
ATTORNEY AT LAW

May 19, 1981

10 LIGHT STREET
SUITE 2900
BALTIMORE, MARYLAND 21202

10 LIGHT STREET
SUITE 2900
BALTIMORE, MARYLAND 21202

Re: Petition for Zoning Variance
Filed by Universal Security Instruments, Inc.,
Item No. 227

Dear Mr. Hammond:

The writer, counsel for the Petitioner in the above-referenced proceedings, respectfully requests that a Hearing be held before the Zoning Commissioner of Baltimore County at the earliest possible date for the following reasons:

1. The Petition is part and parcel of three separate projects being undertaken by the Petitioner as a package, within the vicinity of the Owings Mills Industrial Park, involving capital expenditures by the Petitioner of approximately \$2,000,000 through a MIDFA partially insured loan from Maryland National Bank.
2. The planned improvements will create almost 200 new jobs in Baltimore County without requiring any capital investment on the County's part.
3. In order that the loan closing may be concluded prior to October 30, 1981, a hearing is being sought at the earliest possible date so as to permit completion of final plans and specifications for the construction of an addition to the existing facility thereby creating new jobs in Baltimore County for semi-skilled and unskilled persons.

With these thoughts in mind, I shall appreciate an early favorable response to this request.

Thank you for your cooperation and assistance.

Very truly yours,

[Signature]
Bernard S. Denick

cc: Mr. James D. Lucas
Mr. Michael Kovens, President,
Universal Security Instruments, Inc.



SANITARY CONVEYOR

TELEPHONE 538-4151 AREA CODE 301

Forty-five years of Packaging Engineering

AMERICAN BOTTLETS EQUIPMENT COMPANY, INC.

50 GWYNNS MILL COURT OWINGS MILLS, MARYLAND 21117
July 27, 1981

Mr. Bernard S. Denick
10 Light Street
Suite 2900
Baltimore, Maryland 21202

Dear Sir:

You are aware that early this year AMBEC was offered part of a plot of land by owner Frank S. Nicoll, Jr. in the Owings Mills Industrial Park. The balance of the plot was offered to U.S.I. Corporation, whose present building adjoins this land.

Shortly after negotiations began, U.S.I. came back to Mr. Nicoll and asked if he would increase the amount of land he offered them, decreasing the side offered AMBEC. He agreed to his request on this strip transfer to help U.S.I. Corporation size their projected expansion and parking facilities.

Last Saturday, I read a Baltimore County Zoning Notice posted on the U.S.I. property at the corner of South Dolfield Road and New Plant Court stating "Hearings July 30, 1981, 9:30 a.m. Case 82-28A requesting side yard set back of 0 feet instead of 30 feet. Room 100, 111 W. Chesapeake, Room, Towson, Maryland."

As you know, AMBEC is now located in the Owings Mills Industrial Park, and we are aware of and respect the restrictions for the same set back by Mr. Nicoll throughout the development. Two of the restrictions are:

1. "All buildings must be located on each plot with a set back of 30 feet from all property lines..."
2. "All plans for construction of building must be approved by Frank S. Nicoll, Jr. to see that the foregoing restrictions are incorporated in the construction drawings."

AMBEC is planning its future building expansion in the valuable plot referred to in this zoning request as the U.S.I. "side yard"